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OUR MERCHANT MARINE PROBLEM

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OUR MERCHANT MARINE PROBLEM

PREFACE

The purpose of this volume is to present the important problems of the American Merchant Marine. Since America was discovered, sea power has played a decisive part in our destiny. It has been the governing power in every war we have had except one. It must play a leading role in the future. The writer will aim to present historical and other facts so as to convince intelligent Americans of the great meaning of ships. The shipping problem is probably the most vital issue confronting the American people today.

A. J. S.

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As concerning ships, it is that which everyone knoweth and can say, they are our weapons, they are our ornaments, they are our strength, they are our pleasures, they are our defense, they are our profit: the subject by them is made rich; the Kingdom through them, strong; the Prince in them mighty; in a word, by them, in a manner, we live, the Kingdom is, the King reigneth. Anon

OUR MERCHANT MARINE PROBLEM

CHAPTER I

INTRODUCTION.

"The American Merchant Marine" is made up of commercial ships, both passenger and cargo, which fly the flag of the United States. Each ship is registered as an American ship, subject to the laws and entitled to the protection of the United States.

There are five principal branches as follows:
Vessels engaged in the transportation of

1. Domestic trade on the rivers, lakes, and canals of the United States
2. Coastal and intercostal trade of the United States, including Alaska, Hawaii, and Porto Rico
3. Great Lakes foreign trade
4. Nearby ocean-borne foreign trade (Atlantic-Canada, Pacific-Canada, Caribbean, which includes Mexico, Central America, West Indies, and the northern portion of South America,

5. Overseas foreign trade (Trans-Atlantic, trans-Pacific, East and West Coast South America.)

The transportation of domestic trade, represented by the first two named branches, has been reserved exclusively for American built ships and American ship operators. While these branches are expanding, the other branches, in competition with the merchant marine of foreign countries, are not showing satisfactory progress, rather the reverse.

The merchant marine engaged in foreign trade may be further classified as follows:

1. Vessels owned by the United States Government and operated directly by the United States Shipping Board Merchant Fleet Corporation.
2. Vessels owned by the United States Government and operated by the managing agents of the United States Shipping Board Merchant Fleet Corporation on specified trade routes.
3. Vessels sold by the United States Government to private American corporations and now being operated on specified trade routes.

4. Vessels owned and operated by private American corporations as common carriers.
5. vessels owned and operated by private American industrial corporations principally as carriers of commodities produced or consumed by them.*

The United States Shipping Board is the governmental body that has charge of the establishment and maintenance of the American Merchant Marine. The Board was created by the shipping act approved September 7, 1916, "To establish a United States Shipping Board for the purpose of encouraging, developing, and creating a naval auxiliary and a naval reserve, and a merchant marine to meet the requirements of the commerce of the United States; to regulate carriers by water engaged in foreign and interstate commerce of the United States, and for other purposes. The Board's jurisdiction and powers are further defined and expanded by subsequent acts of Congress, notably by the "Merchant Marine Act, 1920" and the "Merchant Marine Act, 1928."

*Taken from the United States Shipping Board's Report, 1928.

OUR MERCHANT MARINE PROBLEM

CHAPTER II

PROBLEMS OF THE NEW WORLD

The necessity of owning and operating their own ships was impressed upon the American people soon after the settlement of the New World. Historians tell us that the Pilgrims soon found it unwise to transport cargoes, which to them were very valuable, in foreign ships. This problem of transportation meant American ships, and to secure these the aid of the government was given when the shipwrights were exempted from military duty. This exemption was a subsidy which could not be measured in money, for it took from the fighting forces men who were sorely needed and exposed those not exempted to even greater dangers, but it was a sacrifice for which the Pilgrims paid the price willingly. Furthermore, the question of defense arose because of the great need for self-protection, and this compelled the people to give their time and attention to the merchant marine. These three issues, transportation, subsidy, and defense, continued to be problems associated with the merchant marine throughout its history. They serve today to

make the Merchant Marine problem one of paramount importance.

Just as soon as sufficient homes were built to afford shelter, the Puritans began to build ships. Governor John Winthrop has been called the "father of American maritime policy,"* because of his enthusiasm for the building of American ships. He had an ardent follower in Rev. Hugh Peters, later one of Oliver Cromwell's aides, who in 1641 built a three-hundred-ton vessel which was one of the great ships of her day. This ship was a forerunner for others that eventually gained us such prestige in the West Indies trade that Great Britian had to take steps to meet the advantages we had gained.

Enforced regulations for care and thoroughness in shipbuilding were enacted and called for heavy penalties that nothing should be "defective or amiss in any materials or workmanship."**

The shipbuilding in the New World flourished beyond any other industry and this naturally excited unusual interest and feeling in England. In 1668, Sir Joshua Child, a British economist, wrote in his Discourse on trade, that "of all the American

*Winthrop L. Marvin, "The American Merchant Marine," pages 2 to 3.

**Ancient Laws and Charter of Massachusetts Bay.

plantations His Majesty has none so apt for the building of ships as New England; nor none so comparably qualified for the breeding of seamen, not only by reason of the natural industry of the people, but principally by reason of their cod and mackerel fisheries, and in my opinion there is nothing more prejudicial and in prospect more dangerous to any mother kingdom than the increase of shipping in her colonies, plantations or provinces."

Laws were enacted for the protection of the English producer, shipbuilder, shipowner, and the sailor. Because of these laws "no commodity of the growth, production or manufacture of Europe shall be imported into British plantations except in British built ships, whereof the master and three-quarters of the crew are English."*

The British legislation of a restrictive character proved unavailing. A national American spirit was evoked and, despite the many acts enacted, American ships and sailors steadily increased. Massachusetts was said to own one seagoing vessel for every hundred of its inhabitants.** This presented a latent sea power of first importance.

*Law passed in 1663.

**David A. Wells, "Our Merchant Marine."

The American people realized the importance of the merchant fleet at the time of the Revolution. There was no American commerce, for British cruisers looked out for that. The American seamen, proficient in their customary ship duties, were conversant with the use of the great guns, the musket, the pike and the cutlass. The slow vessels of the colonies were tied up in the harbors and the swift ones were privateering.

The Continental Navy was not strong. At no time was it a factor in the war. The merchant seamen, aboard the privateers in 1775-83 captured or destroyed three times as many of the enemy's ships as did our frigates and sloops-of-war.* In 1777 the number of seamen in the service almost equaled the strength of the Continental Army under the immediate command of Washington.

The merchant ships, faster than some of our warships, performed many difficult tasks for the Continental government. They carried envoys to and fro from Europe, conveyed dispatches and kept France and our other friends on the Continent informed

*Maclay's "A History of American Privateers."

of the temper of our people and the actual progress of the war. They transported specie and brought ammunition and supplies so indispensable to the patriot army. If we had been obliged to depend on our Navy alone for service afloat in the Revolution, we should have leaned on a breaking reed.*

From 1783 to 1789, when this country had no general government, shipping suffered. Great Britain controlled the West Indies and would not permit our merchants to ply their trade in those ports. It has been said that slaves died for want of salt fish and other American foods, but in spite of that the British prohibition was not lifted. This caused the West Indian planters to engage in smuggling with the Americans.

In almost every instance when a nation has offered special aid to shipping, it has done so to meet some handicap imposed upon it by certain natural or economic resources possessed by other nations. In 1789, Congress passed an important act to aid American shipping. It meant in effect, a bounty of forty-four cents a ton paid every time an American ship entered an American port. This, with the

*John Fiske's "The American Revolution" Vol. III

preferential tariff duties, developed the American Merchant Marine at a rate never equaled before or since.

This wonderful expansion was due to our people being seamen by instinct, excellent resources for shipbuilding, and the great wars in Europe, involving practically all the nations, gave this country, a neutral, a wonderful opportunity.

But this mushroom growth was not of a permanent character. Privateers and pirates became active, British naval vessels impressed our seamen, and a serious obstacle towards expansion developed when our shipping was seized by different countries for entering the ports of their enemies.

In 1827, the London Times said: "Twelve years of peace, and what is the situation of Great Britian? The shipping interest, the cradle of our navy, is half ruined. Our commercial monopoly exists no longer; and thousands of our manufacturers are starving or seeking redemption in foreign lands." The reason was that Americans could build and operate wooden ships cheaper than the British.

The first real ship subsidy step taken by Congress was in 1845, and it provided for the transmission of mails between the United States and foreign countries in American Ships. In 1850, the great Collins line of steamers was established with liberal

subsidies. The latter enabled us to bring our total steamer tonnage to the equal of Great Britian. The California gold rush called for ships, and that marvel of the seas, the American clipper ship, was the result. Other demands followed and our ship industry thrived.

With our country maintaining an enviable position in the shipping of the world our Merchant Marine was again to feel the effects of a war. The South appreciating the value of the tonnage held by the North and its possibilities in an anticipated crisis caused the subsidy to be reduced, and this was a factor in the discontinuance of the Collins lines. British interests forged to the front once again and the Civil War gave them additional impetus.

Until the Civil War we were a sea power. During our difficulties with the South, one million tons of our tonnage was destroyed and foreigners, especially England, reaped a harvest in the trade which came to them. Just about this time came the evolution from wood to steel. Fully realizing her inability to cope with us in the merchant marine situation just as long as the wooden ships were used, England made use of her advantage of having coal and iron ore near the seacoast and acquired the

art of steel shipbuilding. Subsidies were readily granted to the new industry. We were tardy in appreciating the new era. Our attention and energies were directed more to the "prairie schooner," to winning the west, towards internal empire building, and the development of great railroads and great industries. We slowly left the sea for the temptations of the interior.

It should be emphasized "that this continuous decline in American shipping and the almost complete surrender of the carriage of American foreign trade to foreign shipping interests were due to the fact that the American people concentrated on interior and western development. Capital was diverted from shipping to mining, agricultural, manufacturing, and railroad development. The failure of the American people continuously and consistently, to support the maintenance and development of the Merchant Marine, represented a tremendous loss to the revenue of the Nation and a correspondingly large profit to foreign countries."*

In 1898, we had no merchant ships to send our fighting forces to Cuba. We hired Spanish merchant ships to bring them back. In 1900, two small merchant

*United States Shipping Board Report, April 1928.

ships left our shores for France and one for Belgium, and they returned in ballast. Not one ship carrying the American flag left during this year to the following countries: Russia, Sweden, Norway, Denmark, Netherlands, Italy, Hungary, Greece or Turkey.

England made use of various forms of postal subventions to aid her fast passenger ships and always shipped her troops in private owned vessels instead of in army transports. Germany, Italy, and France have all had construction bounties of one kind or another. Japan, because of lack of coal, had her ships built abroad until recently. Now she has Chinese coal fields and she promises to be a great shipping power.

In 1908, when the American fleet made that memorable trip around the world, foreign-owned merchant ships and colliers were used, fifty in number, to carry supplies at considerable expense. Some of these ships were manned by Chinese. President Roosevelt advertised the fact in his attempt to drive home to the American mind our weaknesses and helplessness. Every foreign government knew the conditions. But Americans would not heed. Then came the costly lesson of the World War.

OUR MERCHANT MARINE PROBLEM

CHAPTER III

THE DEMAND FOR SHIPS IN THE WORLD WAR

The first year of the World War was sufficient to show the United States that the process of attrition in the world's supply of tonnage, due to normal war causes and to the illegal use of the submarine by Germany, was creating a shortage of ships. This shortage became acute when the United States entered the war in April, 1917, thereby adding to the problem this country's vast needs of sea transportation for the troops and supplies, and the quickened need of sending more and yet more supplies to our allies.

M. Louis Loucheur, French Undersecretary of State, is quoted, "America should ship us vast quantities of raw material in American bottoms. Let her build as many ships as possible immediately."* The need was very apparent. The coal districts in France were in the territory overrun by the Germans which necessitated buying coal from England at high prices. This called upon the service of the English

*Collier's National Weekly, May 12, 1916.

merchant ships to transport this coal, and it was a fact that these crafts were needed for other purposes. Italy was in a similar position. Herbert Hoover's urgent cry for food for Europe was in the same way a cry for ships. Lloyd George said during this same period, "Victory is now a question of tonnage, and tonnage is victory. Nothing can defeat us now but shortage of tonnage."*

It was not long before the American people were called upon to visualize the all-important problem. The picture represented on one side of the Atlantic the American forces, thousands of our young men, and on the other the food and supplies awaiting shipment to the fighting forces. Furthermore, to "understand that the only thing that joins the two is a thin and fragile line three thousand miles long. There are many dramatic aspects to the war, but none are as appealing as the frail line, which to most of us is merely a series of dots upon a map, made up of exceedingly perishable ships, all too few in number at best,--only about one every two or three miles--and every few hours one of them feels the feared shudder, topples, and sinks."*

*Collier's National Weekly, May 1916

When the sudden need came for ships there was government machinery to meet it--the United States Shipping Board. The plan was to build small vessels, for in submarine warfare many small ships were more desirable than a few large ones. Then again, to get advantage of speed in construction, the ships were made of a standard shape. A "bridge of ships" from the United States to Europe was the goal.

Congress appropriated fifty million dollars for this project. Ships were built as never before. Great shipyards rose over night, towns were laid out, homes built to shelter the workers, and trolley lines laid to carry the employees to their work. Drydocks were built as were marine railways, great piers and mammoth warehouses.

The outlined plans met with obstacles. Time and equipment were necessary elements. The active shipyards were limited in numbers. Those of any real value were busy with steel ships. As steel was of paramount importance for every kind of war munitions, the plan adopted by the Shipping Board was to build wooden and concrete ships.

An unexpected solution, in part at least, was made known to the Shipping Board by Mr. F. A. Eustis, a Boston engineer. Mr. Eustis submitted valuable information and statistics. In line with his business

and anticipating the needs of the government in a national emergency of this nature, he assembled all the necessary facts and data pertaining to possibilities of building wooden ships. He reported a number of old plants available which could be readily renovated and speedily equipped. He also presented facts and figures with reference to the engines and other equipment needed for the wooden vessels. His data was given early and intelligent survey on the parts of experts appointed by the Shipping Board. It was found to be very valuable and provided the means for an early start in this wonderful undertaking on the part of the United States government. The question of fitness of these wooden ships to engage in competitive foreign trade did not enter into the situation. The primary requirements were for speedy output and heavy tonnage.

The United States Shipping Board performed miracles in its shipbuilding program. During the war period it acquired 2543 ships, 21 by transfer from other departments of the government, 103 by purchase, 105 by seizure from enemies, and 2314 by construction. Of these 1851 were cargo steamers, 152 tankers, 58 passenger, 19 refrigerator, 35 transport, 19 collier, 161 tugs, and 100 barges. All possible

speed was maintained to carry out the greatest emergency construction task ever attempted. All projects of the government are criticised favorably or otherwise. The Shipping Board did not escape. It is a fact that few of our troops went across in our own ships. It is true that we were fortunate in being allied with the side that held the sea. It may also be true that the success, partial or otherwise, of our wonderful shipbuilding program helped to convince Germany that her submarine warfare could not secure control of the seas, and this meant that the allies would always have food supplies while Germany would have to run the blockade. There were few who would question the seriousness of this situation from Germany's viewpoint.

OUR MERCHANT MARINE PROBLEM

CHAPTER IV

THE PERSONNEL OF THE MERCHANT MARINE

By the time the situation with reference to the need of ships had developed, the nation as a whole understood the emergency of measures long advocated by students of maritime conditions--residents mainly of the sea board states--for developing our merchant fleet in accordance with the pressing demands of the time.

An early plan adopted was to build one thousand wooden ships to carry cargo across the Atlantic. Coincident with the sudden awakening of the nation to the vital need for more cargo ships came the important question of manning the new Merchant Marine so soon to come into being.

The country as a whole, not having been accustomed in recent times to think in terms of shipping, appeared doubtful of its ability to produce mariners needed to handle the new fleets. We were no longer a seagoing people, said the doubters; we lost the art of the sailor when the American square-rigged ship went out of use as a leader among the world's cargo carriers. Surely our war need was pressing enough to appeal to

the patriotism of Americans with a liking for the sea; but would any number come forward for service on merchant ships?

When the problem of securing available plants and equipment to build ships confronted the Shipping Board, a Boston gentleman, Mr. Eustis, stepped into the breach with complete data. When the task of handling the personnel was brought to the attention of the commissioners, it was another Boston gentleman, Mr. Henry Howard, who assumed the leading role. Mr. Howard possessed a wealth of knowledge of maritime affairs and a broad view of the trend of events in the world war. He had an optimistic view of the country's ability effectively to turn back to the sea, where it won its first laurels in commerce. Mr. Howard presented a plan, quite general in form it is true, which showed promise of solving the problem of manning the many new ships which would soon be produced from the many shipyards throughout the country. After careful consideration, the officials of the Shipping Board, fully recognizing the possibilities in the plan, accepted the same and invited Mr. Howard to become director of a new branch of the Shipping Board to be called the Recruiting Service. This new department was to provide the personnel for the new fleet, and 100,000 men was the goal.

Mr. Howard pointed out to the Board that there were many thousand fishermen on our coasts among whom could be found excellent material for Merchant Marine Officers. Furthermore, former sailors were to be found in almost all the states, engaged in various occupations. There were also many marine engineers working ashore, and other engineers who could be prepared in a short course of special training for service at sea.

The task assumed by Mr. Howard was by no means an easy one. It presented a stupendous problem because of the conditions existing in the country up to the time of the opening of the war. There had been a long and somewhat melancholy chapter of inefficiency, dissolution and general want of national pride in the personnel of the American Merchant Marine. The old type of Yankee Sailor seemed to be a thing of the past. The newcomers were foreign, commercialized, and on the whole, uncompromisingly sordid. The opening of the war found the Merchant Marine at a low ebb as a going concern, and nearly bankrupt from the patriotic standpoint.

On June 1, 1917, the Shipping Board issued an announcement with reference to the plan of recruiting, and stated the plan in the following statement: "Not less than 100,000 men, including deck and engine-room

officers will be required for the entire fleet of the new Merchant Marine. These include 12,000 officers, 24,000 sailors, 24,000 firemen, 12,000 cooks, stewards, and messmen, and 2500 apprentices and others. All the work of enrolling and training this new sea force will be conducted by Henry Howard, the Board's Director of Recruiting."

Headquarters of the Recruiting Service were established in the Custom House, Boston, Massachusetts. Starting with an assistant and one clerk, Mr. Howard's organization grew very slowly at first. It was not long, however, before he surrounded himself with executives equipped in their respective lines and representing a most loyal and enthusiastic group. By this time the demands on the organization were so great that it expanded with leaps and bounds, and the task of securing the personnel for the ships was soon under way.

The organization called for the following main departments outside of headquarters: Enrollment Bureau, Sea Training Bureau, Instruction in Navigation, Instruction in Engineering, and the Sea Service Bureau.

At the headquarters the Assistant to the Director, Mr. Edward Freeman Flynn, a most capable executive, was in entire control in the absence of the Director, and his duties covered the interpretation of policy,

maintenance of working relationship, general supervision of the service by departments, budgets and appropriations and correspondence within the scope of the above. Associated with the Assistant to the Director were specialists. Students in organization may well appreciate the "multitude of duties" which would need to be performed in instituting a service of this type. There were no precedents to follow, everything was new and untried in many respects and it needed men of liberal education and training in their own fields to secure satisfactory results.

The organization of the personnel of the Recruiting Service Staff was a problem in itself. The question of a pilot to guide the good ship was given early attention and the selection was made of a General Secretary of a Young Men's Christian Association, Mr. Christian Lantz, of Salem, Massachusetts. Was he a mariner? Had he served his time aboard ship, and would he be in a position to guide and advise from the standpoint of a mariner? These questions may readily be answered in the negative. But, he was a successful executive and it would be reasonable to assume that as an organizer of the new service, he would be eligible. This judgment was based on the commendable service he

performed in organizing the immense problem of relief at the time of the Salem, Massachusetts, conflagration. In this great fire, hundreds were made homeless and immediate succor was needed. With confusion on all sides a leader was most essential to perfect an organization that would house and feed the homeless, provide clothing and arrange for rehabilitation in general. Then again, when Halifax, Nova Scotia, appealed to the American Red Cross, following the terrific explosion, Mr. Lantz was drafted for the leadership in preference to the American Red Cross trained leaders already in its own ranks. As the Recruiting Service problem worked out, it was apparent that Director Howard had made a wise selection.

To give some idea of the problems involved in the organization of the Recruiting Service, the functions of the office of Organizer and Auditor will be outlined briefly.

- The Organizer should be thoroughly familiar with
1. the organization of the Recruiting Service
and the authority and responsibility of all
executive and clerks
 2. the policies of the Recruiting Service as
determined by the Director and Bureau Chiefs.

3. the routine established to handle the details of the activities of all the Bureaus and Departments of the Recruiting Service.

It is the duty of the Organizer to know whether

1. the responsibilities are borne
2. the policies are carried out
3. the routine is followed in accordance with the plans approved as standard by the Director of the Recruiting Service, and, whenever such is not the case and the matter is not remedied upon his suggestion, to report such fact to the Director.

In order that he may fulfill his duties, it is essential that the Organizer know:

1. When to secure the services of specialists and where these are obtainable.
2. The qualification and previous experience of all executives and clerks in the Service.
3. The requirements of personality and experience for all executive and clerical positions.
4. Where men of various types of personality and experience likely to be needed by the Recruiting Service can be obtained at short notice.

5. The equipment used by each unit of the Service.
6. Where additional equipment may be secured at short notice.
7. The salary received by each employee in the Service.
8. The salaries paid for similar services by the commercial houses in the same localities.
9. The efficiency of individual employees, so far as can be measured.

Inasmuch as the Recruiting Service was a branch of the Shipping Board, a governmental unit, it was naturally quite essential and necessary that the service should have an auditor qualified to care for the details of finances and property so as to conform with the government's rules and regulations which are very exact. This meant an introduction to the requirements of the United States Government and specifically of the Shipping Board, as to the accounting for cash and stores, and reports required from the Recruiting Service on these matters. "It is the duty of the Auditor to make a continuous audit of the cash and store records of all Bureaus and Departments, see that the routine as planned is being faithfully carried out, and that the books, records, vouchers and inventories are in such shape that they may be satis-

factorily audited by the Shipping Board at their pleasure."*

The problem of securing an efficient personnel for conducting the affairs of the Recruiting Service was solved if one may judge from the work of the leaders. Officers in the Merchant Marine, successful executives in professional and business circles, and specialists in the various lines were drafted for service. In many cases they were semi-volunteers and it is of note that the majority of the staff remained through the war to the Armistice. It is a fact, and this speaks volumes for these gentlemen, that in the continual investigation routine that the Shipping Board was subjected to by Congressional committees, the Recruiting Service was the only branch of the Board that escaped these investigations.

*Outline of Organization, United States Shipping Board, Recruiting Service, 1918.

OUR MERCHANT MARINE PROBLEM

CHAPTER V

PERSONNEL OF THE MERCHANT MARINE-Continued

Enrollment Bureau

The question of organizing the Enrollment Bureau received the early attention of the Recruiting Service officials, for was it not to be one of the most important links in the chain of departments because of the fact that men were wanted, wanted at once for training? It was a stupendous task. The methods employed by the Army and Navy were of little value for these branches of the government had a perfected organization with trained men in the field at all times. With them merely meant increasing the personnel of the field forces. With the Recruiting Service, a small unit at the best and housed in the Custom House Tower in Boston, Massachusetts, there were many difficulties to be encountered in securing and training agents for the recruiting, establishing stations throughout the entire country, for the Pacific and Gulf coasts were as eager as those on the Atlantic Coast. As in the case with the shipyard problem, when Mr. Eustis volunteered valuable information, and when Mr. Howard

undertook to secure men for the Merchant Marine, the true American patriotic spirit was again shown and a successful business organization with its thousands of agents scattered in all parts of the country suggested that the recruiting might be accomplished through its stores. The offer was accepted and the Rexall Stores were accepted as the enrolling stations.

The chain drug stores, 6854 in number, located all over the country, were placed at the disposal of the Recruiting Service. Each agent was sworn in as a Special Enrolling Agent at a salary of \$1 per year. In turn he secured an examining physician who examined the applicants free of charge in accordance with a physical standard established by the Recruiting Service.

Thus an army of 14,000 patriotic workers was employed, almost automatically, to secure the crews for the new merchant fleet. No nation ever had a better example than this of the power of the people in solving a difficult war problem.

It must not be assumed that the task was by anyway completed and that simply advertising the fact that these stations were open for business would relieve all concerned of further difficulties. There were new questions arising almost daily due largely to

the inexperience of the workers, and governmental action regarding the draft laws. The situation on the whole was commendable and the plan of securing men speedily and economically was carried out to a satisfactory degree.

The agents were enthusiastic over their assignments and vied with one another in their efforts to secure men. Reports were issued weekly as to the registration and of the unusual features. One agent credited with sending three brothers to the service was eclipsed by another who shipped a quartet from the same family to a training station. Most attractive window displays, floats in Liberty Loan parades, and various methods of advertising were adopted by the men in the field.

In connection with the campaign to secure trainees, the Publicity Department, connection with Headquarters, assisted the agents quite materially. Articles in the newspapers and magazines, illustrated booklets, and screen pictures and talks all served to stimulate recruiting. As was expected, the young American, imbued with the patriotic spirit, enrolled with a full realization that the Merchant Marine would play an important part in the program of the war, and he was anxious to do his part. Others turned back by the

army or navy because of some physical defect would manage to pass the physical tests of the Recruiting Service. On the other hand many were called to the service by the attractive circulars and pamphlets distributed throughout the country. This printed material at one time amounted to seventy tons in weight, this fact giving one an impression of the vast amount needed.

The literature setting forth the aims of the service sought to reach the young men who did not appreciate the full value of the merchant marine in the war program. It attempted "to stir the prospect with the lust of travel and adventure, to cause him to see the wide spaces and learn to love the call of the vast, to see the romance of it all and the joy that comes from carrying his country's flag to be planted at the crossroads of the world."*

*Bernard M. Baker in the Atlantic Monthly, January 1919

OUR MERCHANT MARINE PROBLEM

CHAPTER VI

PERSONNEL OF THE MERCHANT MARINE-Continued

Sea Training Bureau

Work on the training system for crews was begun very soon after the Shipping Board granted the authority to proceed. To administer the service a department was created called the Sea Training Bureau, with a Supervisor of Training in charge. Here the service was again fortunate in a selection of an official for it was possible to secure as supervisor a gentleman of many years' sea experience, one fully capable of compiling an adequate training curriculum, and one who is today president of one of the large steamship companies on the Atlantic Coast.

Under the expert guidance of the supervisor, the officers for the training ships and the instructors for both land and sea were selected with care. This was not any easy matter by any means because of the shortage of men due to the demands of other branches of the government that were in the field for men at an earlier date. Stations were planned and opened on the Atlantic and Pacific coasts and the Great Lakes at the following places: Boston, Norfolk, New Orleans,

San Francisco, Seattle and Cleveland.

The training ships were in most cases vessels belonging to the steamship companies and the availability of these ships prevented delay in the training plans. In addition, the "City of Berlin," holder of a speed record across the Atlantic at one time, was rechristened "Meade" and first used as a training ship, then as a receiving ship, at Boston.

The duty of the Sea Training Bureau, operating stations on the Atlantic and Pacific coasts and the Great Lakes, was to receive and train those desiring to enter the service of the Recruiting Service, and after graduation, to maintain them on a receiving ship until such time as they assigned to their first berths by the Sea Service Bureau. The training of the man was a war measure at the opening of the service and inflexible policies were therefore impossible.

The activities at a training station began when the recruits arrived. The natural aim would be for the station officials to impress the newcomers with businesslike methods, and at the same time maintain the type of service that would be an encouragement to the men arriving. The opportunity to enlist in the merchant marine attracted a high-class type of apprentices. Clean-cut Americans arrived daily from home towns, both on the coast and inland, all eager to start the work. Everything was entirely new to

the majority; some had never seen the salt water previously, and many more had seen the ocean but had never been on it. These different types presented different problems for the officials to handle, which was quite in keeping with the daily routine, for there was no precedent for the plan of training.

On arriving at a training station the recruit was to present his credentials, which comprised a birth certificate, draft card, and his application blank which contained the record of the medical examination made at the point of enrolling. It was not strange that many of the men were minus one or more of these papers, while the application blank usually needed additions or revisions. The medical examination followed, and if this was successful the applicants was inducted into service. The department in charge of securing the exemption would then function, and application would be made for a passport so that the apprentice could prove his identity when called upon by those entitled to such information. Issuance of clothing, reimbursement for traveling expenses and being escorted to the training ship in groups of twenty completed the necessary preliminary steps for the recruit.

If the applicant failed to pass the necessary medical test, he was denied admittance and provided with transportation home. With volunteer examiners at the point of enrolling together with the natural difference in medical opinions it was not surprising that many of the men were rejected on arrival at the training station. It would be expected that the enrolling agent, the manager of the chain drug store, would want to please a customer. Also, that the physician would overlook some defects. Then again, while the expense of returning these men to their homes amounted to quite a snug sum, it was more than offset by the inexpensive methods employed to enroll the applicants. On the other hand, the qualifications were of such a character that oftentimes a man unable to perform in the engine department because of some physical disability could carry on in the stewards' section, and was therefore acceptable for service.

Training programs under the direction of competent instructors were maintained in three departments, deck, steward, and engine. These instructors were of the type of a warrant officer in the navy, experienced in their particular line, and selected with reference to their adeptness to fill the position assigned. Each had a group of ten apprentices for whose training the instructor was responsible. A close check-up system prevailed and after a certain period, more or less

standardized at all the stations, the apprentice was given an examination as to his fitness for the merchant service. The course was of an intensive character, and covered from a month for firemen to six weeks for the others. The training ships went on short cruises over the week-ends thus giving the students practical experience.

The Supervisor of Training prepared a manual for the guidance and instruction of the men on the training ships. The foreword in the manual is as follows:*

American Merchant Seamen:

"Our Government calls the youth of the land to serve in a romantic occupation which abounds in glorious traditions of valiant deeds and useful service.

Glorious as are these traditions, there never has been a time in the history of our Country when the work of our seamen was of greater value to the welfare of our nation than it is at the present time.

*Captain Eugene F. O'Donnell, The Merchant Marine Manual.

"Manned by a personnel of unquestioned allegiance, our Merchant Marine will attain the highest standard of efficiency and must be successful in defeating the aims of our ruthless foe.

"These are the days of self-sacrifice for every liberty-loving American. The world must and shall be made free that future generations may enjoy the blessings of liberty and you, of course, realize the important part the seamen of our Merchant Marine must take to bring success to the cause of democracy.

"To win the war, the United States is providing ships in large numbers to offset the activities of the enemy submarines. These ships are necessary for the maintenance of our military forces on the battlefield and to furnish supplies to our allies.

"History records that in every case of danger to our nation, our seamen have gallantly responded to their country's call without thought of personal comfort or advantage. A great task, therefore, devolves upon our present day seamen to see to it that the glorious traditions of their predecessors shall remain unsullied, and when history records the valiant

deeds of those engaged in this great struggle for democracy, let it not be said that our seamen failed to measure up to their full duty."

The manual containing the above foreword was distributed to the apprentices soon after their arrival on the training ship. The first instructions given were to read the foreword carefully because of its completeness in enabling the recruit to become acquainted with the purpose of the training and the enviable position occupied by the American seamen in history. It was the consensus of opinion that the author's foreword was the means of inspiring the prospective seaman for the merchant service.

The manual used by the students was of a special type and purposely arranged to avoid minute and technical details because of the limited time planned for the training. There was no question but that a text was necessary because many of the young men who enrolled for the service were unfamiliar with ships and the sea. The book was illustrated showing the different types of ships, machinery, and the like. The duties of the seamen, in the different branches, were outlined.

In the classes for those in the deck department, acquaintance was made with the sounding machine, how to call a cast of lead, steering orders, rulers of the road at sea, winds and effects on signals, boxing a mariner's compass, making fancy knots, and a multiple

of matters that the deck hand should know.

Signaling by means of flags, usually termed wig-wagging, was taught all apprentices. The young seamen were quick to learn the language of the flags, and made expert signalmen. It is significant that some of the best signalmen came from the Middle West, and never saw the ocean before going into training under the Shipping Board.

On well-manned ships everything is clean and in good order. It is necessary that every rope be rove and coiled properly, that blocks be in good condition so that the lines will run through them freely, and that every hitch be secure. In many instances, the safety of the ship and those on it depends on the condition of the gear. These facts were impressed on the apprentices.

In the stewards department the husky young Americans with an aptitude for this kind of work were trained. The Merchant Marine cook of today has all the accomplishments of a hotel chef. The United States government insists that the men who manned her merchant fleet shall have plenty of food of high quality. If the old-time sailor, used to a diet of "sale horse," saw such meals as were given the merchant marine apprentices, he would have opened his eyes in amazement.

In the engine department the men were trained as coal passers, firemen, oilers and water tenders. Arrangements were made with establishments on shore so that under crowded conditions in the engine rooms on the training ships, the men could receive practical experience in coal passing and made acquainted with the duties of the firemen.

The medical department proved to be one of the most active and important departments of the training bureau. In the examination of the applicants at the training stations, it was found that the requirements of the Army and Navy were not wholly applicable to the Merchant Marine. Defective hearing, for example, was not a barrier to service in the engine or boiler room. Color blindness or slightly defective vision did not disqualify for service as steward or messman. To meet the requirements of the problems presented, the medical department adopted a standard that stood the test with the Boston Elevated Railway for fifteen years, during which period not one accident was reported because of physical defect of any employee.

The medical department had its supreme test when it was called upon to check the spread of the Spanish influenza among the recruits. When the dreaded germs were discovered on board on any of the training ships or training station, the apprentice was removed at

once to a special hospital or land arranged by the chief surgeon of the service. The methods employed by the Recruiting Service, especially in Massachusetts, and the same scheme prevailed in other parts of the country as well, received the endorsement of the Bay State health authorities and their decision that the Shipping Board Recruiting Service way of treating patients outdoors was absolutely the best way, was arrived at only after many conferences and considerations of several schemes.

Massachusetts appropriated \$100,000 as a fund to combat the dreaded disease. The plan was a development of the tent hospital idea which proved so successful with the Recruiting Service. It has been found that the men recover more quickly in small tents than in large wards. The sun and air can penetrate better and no time need be lost in starting the construction of this type of hospital. All may appreciate the need of speed at the time when a disease spreads so rapidly. The medical department handled this problem in an efficient manner; the number of fatal cases was kept down and the general scheme endorsed and put into force by several of the different states.

The Sea Training Bureau's function of training seamen for the merchant ships was carried out by the Recruiting Service in a thorough manner. As a

result 33,000 men were trained and graduated from the service. This did not represent the full number trained, and it is significant that the service did not fail to meet and fill the demand for crews to man the new merchant ships.

"No more honorable or serviceable task can come to any of our people than that of manning our merchant marine."

Woodrow Wilson

OUR MERCHANT MARINE PROBLEM

CHAPTER VII

PERSONNEL OF THE MERCHANT MARINE-Continued

Schools for Officers

Three days after the United States Shipping Board authorized the training plan, the first free navigation school was opened with twenty students at Harvard University. It was later transferred to the Massachusetts Institute of Technology.

The problem of training men for seamen would naturally present the problem of training men for officers. This new phase of training personnel did not need any widespread publicity or advertising campaigns. Students were enrolled in the different schools throughout the country, trained and graduated to the number of 12,000 officers for the new fleet. This was the goal set by the Shipping Board and the goal was reached. Hardy captains of fishing fleets, like those portrayed in Connolly's "Out of Gloucester," men, who could bring a vessel home from the Grand Banks without sextant or chronometer, were ready to absorb the technical problems of navigating by "dead reckoning" alone approached with enthusiasm and determination the problems of higher mathematics involved in scientific navigation.

The work of organizing additional schools went on until forty-three in all were established on the Atlantic, Gulf, and Pacific coasts, and the Great Lakes. The response of men qualified to enter these schools were commendable.

The problem of getting these schools started, securing the instructors, arranging the curriculum and countless other details was placed in the hands of Professor Alfred E. Burton, then dean of the Massachusetts Institute of Technology. Dean Burton was formerly associated with the Coast and Geodetic Survey, and was a practical navigator of wide scientific knowledge. He selected his instructors from men of practical training, astronomers, explorers and former sea captains.

The system of instruction perfected for these navigation schools was in accordance with the most approved methods of teaching navigation. It was, therefore, possible to impart to a student in six weeks' study a groundwork of theory and practice in navigation to enable him to pass the examinations of the United States Steamboat-Inspection Service, entitling him to a license as second or third mate. The examinations were conducted without any modification of the regulations applying to ordinary applicants for a license.

To enter a school in navigation an applicant must pass an examination by a surgeon of the United States Public Service, as to "color sense and visual acuity;" that is, to show whether he is free from color blindness and has a proper range of vision. If he passes this test and has been two years at sea, he will be permitted to enter the navigation school; if he fails in this test he cannot enter a Recruiting Service school as he would be denied a license when he came up for examination.*

The development of the engineering schools was contemporaneous with that of the schools in navigation. Professor Edward F. Miller of the Massachusetts Institute of Technology accepted the billet of supervisor and his duties, similar to Dean Burton's, called for instituting the schools, selecting the instructors, arranging the school program, and other necessary details. The number of schools reached a high total of eleven and were located at Massachusetts Institute of Technology, Johns Hopkins University at Baltimore, Seamen's Church Institute in New York City, Tulane University at New Orleans, Case School of Applied Science, located in Cleveland, the Armour Institute in Chicago, the University of California

*Instructions by Recruiting Service for Enrolling.

at Berkeley, the University of Washington at Seattle and the Polytechnic Institute in Brooklyn.

The course in engineering was of one month's duration. The qualifications for admission differed from those required for admission to the navigation classes inasmuch as sea experience was not a prerequisite. Men with proper technical experience were admitted and the necessary sea experience was acquired on the training ships. The students were recruited from the following:*

1. Three years' service as firemen on ocean or coastwise steam vessels, or
2. Two years' service as an oiler or water tender, or combined service in these two positions, on ocean or coastwise steam vessels, or
3. Six months' service as chief or assistant engineer on lake, bay, or sound steam vessels, or
4. One year's service as chief or assistant engineer on river steam vessels, or
5. One year's service as a locomotive or stationary engineer, together with six

*Instructions by Recruiting Service for Enrolling.

- months' service in the engine department of ocean or coastwise steam vessels. Sea service may be obtained after finishing the course, but before being examined for a license, or
6. A graduate from an engineering class of a nautical school ship, or
 7. A journeyman machinist who has been engaged in the construction or repair of marine steam engines, or
 8. A graduate in mechanical engineering from a duly recognized school of technology together with three months' service in the engine department of an ocean or coastwise steam vessel. Sea service may be obtained after finishing the course, but before being examined for a license, or
 9. One year's service as a stationary engineer in full charge of a plant of not less than one thousand horse-power, or
 10. Three years' service as an apprentice to the machinist trade and engaged in the construction or repair of marine, stationary, or locomotive engines together with six months' service in the engine department of an ocean or coastwise steam vessel. Sea service may be obtained after finishing course, but before being

examined for a license.

In conclusion it may safely be said that the engineering and navigation schools conducted by the Recruiting Service covered their assignments with success. Not only did they train and assist men to secure an officer's rating in the new fleet but the existence of the schools proved an incentive to men, qualified to receive licenses, to take and pass the required examinations without attending a government school.

OUR MERCHANT MARINE PROBLEM

CHAPTER VIII

PERSONNEL OF THE MERCHANT MARINE-Continued

Social Service Bureau

The Social Service Bureau of the Recruiting Service was established February 1, 1918, with Mrs. Henry Howard as its chief. The original purpose of this branch of the service was to engage in welfare work among the men trained by the Recruiting Service. The service broadened in its scope and its functions today in connection with the "Public Library of the High Seas."

Starting as a division of a maritime training service hitherto unknown, the Social Service Bureau met with unusual problems and obstacles. No department existed for inaugurating and carrying on this work and a large amount of personal effort was expended before any assistance was obtained from other organizations. The leading organizations assisting the Army and Navy were not at all enthusiastic about the men in the Merchant Marine, and the idea of helping had to be "sold to them." Success was not recorded in every case, however, "for the American Red Cross Home Service, that

organization that aids the families of the men enlisted in the Army and Navy, never extended the service to the families of the men enrolled in the Merchant Marine. This was due largely to the absence of formal recognition by the government of the importance of the position taken by the new Merchant Marine's personnel in the country's development and defense. The mariner was not technically in the military service and this barred him from the rights and privileges of his brothers in the Army and Navy. It added to the burden of the Social Service, and deprived the men of the aid of the Red Cross because of a technical point."*

The Social Service Bureau was active at the training stations of the Recruiting Service. The plan was based on the thought that the young man who enrolled for the service wanted to make the most of himself, and from his first contract with the station, the Bureau tried to help him to help himself. It seemed as though each case would need to be treated individually; each demanded moral and mental as well as physical care and support at such a time, which to most of the boys, far from their homes, was a sharp turning point in life's highway.

*Social Service Bureau Report, June 1919.

To develop character was one of the aims of the Bureau. The aim was to give the trainees a mental and moral impetus and poise that would help them in finding themselves when thrown upon their own resources among older and more experienced men in merchant crews.

Amusements, sports, good books and good company, all tended to give an atmosphere of companionship and cheerfulness which could not help be of value to the Recruiting Service. All day programs on Sundays, evenings, and Saturday afternoons were based on the following:

SPIRITUAL DEVELOPMENT.

Religion

"Freedom to worship God."

Catholic, Jewish, and Protestant
Services

Brotherhood of Man

Toleration and respect
Service

Inspiration

Literature
Associations
Speakers

Patriotism

Love of country (Respect and obedience to
authority)
Obligations of citizenship
Opportunities of citizenship

MENTAL DEVELOPMENT

Education

Inspiration

Its relation to life and progress
Speakers
Literature

Classes

Common school branches
Languages
Music, etc.

Sociability

Lectures and discussion by groups

Current events
Marine history and developments

Entertainments

(Outside professional talent
Home talent
Motion pictures
Concerts
Plays and pageants

BODILY DEVELOPMENT

Physical efficiency

Health

Personal hygiene
First Aid

Exercise

Setting up drills
Games
Swimming

Habits

Beneficial
Detrimental

Physical Recreation

Athletic competition

Standard tests
Meets

- Group games
 - Leagues
 - Open games
- Swimming
 - Instructions
 - Competition
 - Meets
 - Life Saving methods.

Home relief played an important part in the program of the Social Service Bureau. The absence of the young merchant seaman from home, the inability to write home many times, and the anxiety of those left behind caused suspense which resulted in the Bureau being appealed to for information and in many cases financial aid. The latter presented a difficult assignment because of the urgent need of money in cases where the sailor's family was left destitute. There were no public funds for the purpose. Campaigns carried on in the large cities touched the hearts of many generous people and working funds were contributed.

As the work in the Social Service Bureau became systematized, an additional function was assumed in the plan of arranging for a sailor's directory. This project was in a way novel and unique for nothing like it had ever been attempted by any organization. The book proved to be of vital interest and importance to all seamen.

This directory, printed and arranged in convenient pocket form, furnishes the seamen and officers of the

Merchant Marine a comprehensive directory of places ashore where they may find comfortable sleeping accommodations, economical eating places, and the headquarters of organizations that have a special interest in the welfare of the seafaring man at heart.

Many times a sailor in a strange land has a few hours shore leave. He carries with him his "land compass" in the form of the convenient directory, and this serves as a guide book. In the social rooms he may run across some of his acquaintances and in any case he finds the latch string out for him. Information with respect to every port in the world is given. Two editions have been published, statistics are up-to-date in every detail, and through the directory the Social Service has been placed in touch with volunteer foreign agencies which have cooperated in many ways.

Hon. Joshua W. Alexander, Secretary of Commerce, in speaking about this directory said, "Nothing will be more helpful towards the goal of having our shipping manned by American officers and seamen than for those charged with the duty of developing our sea service to take a direct personal interest in our seamen. They should be made to feel that the seafaring life is honorable and they should be encouraged to lead clear wholesome lives. Nothing will encourage them

more than to know that we feel a personal interest in their welfare, and would protect them from unclean and vicious environment at home and abroad. This little volume has been prepared with great care and its value to the men in our merchant marine service cannot be overestimated."

During the war, the Social Service Bureau, through Mrs. Howard, enlisted the help of the American Library Association to supply books to the training ships. Later, the American Library Association extended service to the American Merchant Ships, but in the latter part of 1920, the war emergency having passed, this service was discontinued. Following this action the Executive Board of the American Library Association asked Mrs. Howard to undertake the organization of a new association to carry on its Merchant Marine Service. The creation of a new organization, rather than the transfer of the Service to any existing marine philanthropy or association, was necessary to insure the continuation of the work as a non-sectarian national project.

With the interest of the shipping men aroused, the American Merchant Marine Library Association was incorporated in 1921 with a Board of Trustees repre-

senting steamship owners, seamen's organizations, librarians and various educational and civic bodies. Mrs. Howard is the president, and Alfred E. Burton, organizer of the Recruiting Service navigation schools and for many years Dean at Massachusetts Institute of Technology, is now the Director of the Service.

The Public Library of the High Seas was an outgrowth of the Social Service Bureau, and today it represents the active work of the organization which was originally formed for war purposes.

The books are sent to ships, life-saving stations, and lighthouses. The average American, especially those who have not frequented ocean or coastwise transportation, can hardly appreciate the accomplishments of this service.

President Coolidge, in a personal letter to Mrs. Howard, the president, said, "At this time when the world applauds the courage and bravery of the men of the Merchant Marine, it is well to remember the long and uneventful days and the pleasure and help which good reading matter affords."

President Hoover, when Secretary of Commerce, wrote, "The American Merchant Marine Library is fulfilling a fine purpose and the continual growth

of this work, as evidence by the marked increase in service rendered during the past year, should give added stimulus to a most useful and humanitarian effort."

Commander Richard E. Byrd, who might be termed an authority through experience at least, wrote "When a half hundred men find themselves isolated at sea or in the Arctic regions, there is nothing more important to their contentment than books."

The "Public Library of the High Seas" has no taxes to support it, like the Public Libraries of the land, so its very existence depends on voluntary contributions. A library for an ocean going ship consists of approximately seventy-five carefully selected books, comprising fiction and nonfiction, including books on navigation, engineering, seamanship, and radio. Every effort is made to fill the large number of special requests which are received. Each library bears a number and the name of the port from which it was dispatched, but it is exchangeable wherever the Association has an office or agency, or between American flagships, lighthouses, or life-saving stations.*

*Report of American Merchant Marine Library Association, 1928.

The work accomplished by the Library Association may be shown in a summary indicating the circulation of the books. The following brief table may enable the reader to visualize the big problem that is being worked out successfully:

Year ending June 30	Ships Served	Libraries	Books
1923	872	2345	91,449
1924	1046	3048	128,566
1925	1387	3764	182,690
1926	1568	4684	224,308
1927	1876	5435	261,860
1928	1776	5535	258,448

There is no greater field for adult education than among the 250,000 men manning our merchant marine. Few men on shore have so many uninterrupted hours for reading as those who go to sea. On board, amusements are few; there are no movies or morning papers, and on long voyages, topics of general conversation give out. In conclusion, a message, written on the fly leaf of a book returned, speaks volumes for the success of the undertaking, "My best recommendations on this book goes to the next reader. It has brought one week of wholesome, clean enjoyment to a lonesome mariner. My name, it does not matter."

OUR MERCHANT MARINE PROBLEM

CHAPTER IX

PERSONNEL OF THE MERCHANT MARINE-Continued

Sea Service Bureau

The Sea Service Bureau is the one department of the Recruiting Service that has retained its original name and is still active. This branch is now conducted by the United States Shipping Board on a broader scope than formerly for, in addition to providing the ships with personnel, it is endeavoring to develop the branch in the Americanization, education and general welfare of the crews on American vessels, this being the big problem which is in direct line with the promotion work of the American Merchant Marine.

The chief project of the sea service section is to man the American Merchant Marine with Americans. Prior to the World War the personnel on American ships was largely composed of foreigners, estimates showing that only about ten per cent of these crews were citizens of the United States. Whether the merchant fleet be employed constantly as the carrier of the United States commerce, or occasionally as a naval

or military auxiliary, and whether it be privately or publicly owned, it is imperative for motives of efficiency and self-defense that the crews be loyal and dependable.

It cannot be said that the plans are a success or completed until provision has been made for carrying American crews. It is the function of the Sea Service Bureau to attract Americans to seamanship. In addition, it cares for the men already in the work in replacing these seamen in berths. This means that this government agency has done away with the old methods employed by "crimps," that the men and boys will be able to avoid these land sharks in securing work, and that another important gain is achieved in lifting the standards of sea life beneath the Yankee ensign.

To have access to this government agency which is able, without charge, to supply crews of American citizens is an asset, especially to the small ship owner who has not developed a name or an organization to attract the best applicants. Then, too, the scarcity of full-fledged American seamen throws an element of risk into the proposition of employing men who are not properly vouched for. It is the aim of the Sea Service Bureau to be of material assistance to the American Merchant Marine as a whole, satisfying a great need which could not be met in any other way.

The first big problem that might be considered is the filling of the ranks. If the Sea Service Bureau as an agency is to accomplish anything in this direction, the service must be made attractive. Compensation and opportunities for advancement and development must be increased for the sooner the American boy of the country turns his eyes towards the sea and its possibilities, the sooner we will reach our proper position in the shipping world.

The Shipping Board, realizing the importance of having American ships manned by American seamen, has made a special study of the ways and means to reach the objective. In the belief that further legislation will be necessary to accomplish the results, it has drawn up a provisional legislative measure designed "to render the country's ocean carriers more competent to discharge their twin naval and commercial functions by being manned by the citizens of the United States." It is believed that the provisions contained in this bill as drafted would prove effective in extending the work now carried on by the Sea Service Bureau, in so far as the work aids persons, citizens of the United States, who may be desirous of following the sea as a livelihood, to enter the American Merchant Marine; in reducing the marine labor turnover by popularizing, so far as possible, the employment of American citizens in the country's commerce fleets: and in stabilizing the wage

differential now favoring American seamen, as contrasted with those of foreign countries.*

A step in the right direction was recently inaugurated by the Shipping Board in the plan of placing deck boys on the cargo vessels operated by the government and in some cases on ships operated by private owners. Applicants must be Americans between the ages of 18 and 23, and must desire training essential to developing efficient seamen. The plan gives promise of gratifying results.

The purpose is to open the door to the American boy to go to sea on American vessels, and then to educate him in the knowledge and love of the service. No longer do our ships come and go under sail. In place of these conditions of the by-gone days there is now mechanical perfection and the boy who is learning the seaman's trade is afforded a wonderful opportunity of acquiring a diversified education of great value. He is taught mechanics more thoroughly than is possible on land, for at sea there is no convenient forge or specialist at every hand. He has at his command the most complete and intricate mechanism by means of which the ship is operated. There is a wide field of construction, navigation and operation before the young man who

*United States Shipping Board Reports for 1927.

elects the sea for his alma mater; a field not limited to the old divisions of power, but open to the application of almost every possible electrical appliance. All of these attractive inducements ought to be portrayed by the Shipping Board in an advertising campaign. An effort should be made to reach the young men inland who ordinarily have no inclination to become seamen, nor any chance to acquire sea training under ideal conditions.

The deck boys, many of whom have come from the interior, are signed on Articles, receive subsistence, and are quartered the same as other members of the crew. They are paid \$25 per month and a large number of these boys, several thousand already having been enrolled, are now on their way to become efficient officers.

The Sea Service Bureau's instructions to its agents located in twelve ports, Boston, New York, Philadelphia, Baltimore, Norfolk, Savannah, New Orleans, Mobile, Galveston, San Francisco, Portland, and Seattle, contain the following with reference to the deck boys:

"Masters and Officers will appreciate that the primary training of seamen is of great importance and will largely influence and affect the ultimate success of the Merchant Fleet, and that well-trained and experienced seamen are essential to the national welfare in emergencies requiring increases in the

personnel of the armed forces, transports and supply fleets. The Americanization of the Merchant Fleet makes obvious the need to create a way for American boys to begin a sea career, which has been difficult in the past.

"Upon Masters and Officers is imposed the duty of training Deck Boys and laying the foundation of discipline, essential to the successful development of efficient seamen. Their training will be such as will fit them for the higher ratings of Ordinary and Able Seamen and as experience and ability are required and developed for the ratings of Petty Officers and higher.

"The ground work is of the highest importance, and Masters and Officers will seriously regard the duties imposed upon them of insuring the training of boys in seamanship, cargo work, and the care and upkeep of the modern steamship. The condition of cargo spaces, maintenance of ship's structure, expenditure of stores, the care of the cargo itself, are all recognized elements in the success of cargo carriage for which ships are constructed and operated, and it is desired and expected that the instruction and training of boys will include all the essentials noted above, as well as in rope work and other features of seamanship included under the interpretation of "hand, reef, and steer," as far as it applied to present day power

vessels.

"Masters and Officers are to be impressed with the fact that the training of Deck Boys is to be in nowise negative, but positive, in that they are to be actively and diligently instructed.

"Deck Boys will serve as such for a minimum period of six months, at the end of which they will be rated as Ordinary Seamen when certified as competent by the Masters of the ships to which they are attached at the time.

"After one year's service in the Deck Department they are eligible for the rating of Able Seamen, following a successful test by the United States Steamboat Inspection Service, which will issue Able Seamen's certificates."*

In keeping with the plan of caring for the welfare of the seamen, the Sea Service last year inaugurated an innovation in arranging for a medical examination of seamen prior to their employment on Shipping Board vessels. This examination serves the double purpose of protecting the men and at the same time preventing the physically unfit from afterwards instituting suit on the ground that they were disabled in the line of service.

*Letter in part sent U.S.S.B. agents June 10, 1924

Medical inspection is carried on for the Sea Service at the smaller ports by the United States Public Health Service. In New York, where the work is the heaviest, the Bureau maintains its own medical department. During the year 1926 in New York 29,706 seamen were examined. Of this number 1692 were found to have physical defects, but not sufficiently to bar them from the service. Out of the 532 men who were rejected, 90 were finally accepted after undergoing treatment. The gratifying results so far obtained in the prevention of claims more than offsets the expense of carrying on this work.

The Sea Service Bureau shows an enviable record in its placements. The large percentage of Americans booked for sea berths is commendable and offers sufficient proof that the Service is making excellent headway in its big program and augurs well for the future.

The following tables will give statistics with reference to placements:

Year Ending June 30	Men Placed	Percentage Americans
1919	82,072	---
1920	160,863	65.7%
1921	110,558	68.8
1922	84,782	92.
1923	101,900	81.4
1924	84,610	77.5
1925	69,173	84.3
1926	65,903	83.9
1927	68,636	87.2
1928	59,530	89.

Record of Replacement per Positions.

Position	1927	1928
Masters	16	11
First Officers	45	39
Second Officers	63	60
Third Officers	146	115
Fourth Officers	3	0
Cadet deck officers	0	0
Carpenters	326	334
Carpenters' Mates	9	3
Boatswains	740	648
Boatswains' Mates	3	1
Quartermasters	157	146
Able Seamen	21220	20079
Ordinary Seamen	5100	4184
Deck apprentices	6	0
Radio Officers	5	9
Chief Engineers	9	7
First assistants	59	56
Second assistants	96	76
Third assistants	104	100
Fourth assistants	1	1
Cadet engineer officers	4	0
Refrigerator engineers	3	3
Electricians	35	38
Deck engineers	85	80
Pump men	104	78
Oilers	5010	4155
Water tenders	1045	905
Store keepers	50	31
Firemen	9153	7142
Wipers	5574	4548
Coal passers	2802	1785
Engineer apprentices	1	6
Deck boys	1170	1481
Chief steward	426	307
Chief cooks	16	21
Second cooks	1516	1220
Third cooks	1939	1648
Bakers	23	6
Butchers	59	57
Store keepers	30	27
Mess Men	9	13
Mess boys	1086	733
Pantrymen	6712	5598
Misscellaneous	68	41
	<u>68636</u>	<u>59530</u>

The function of the Sea Service Bureau is to provide men for the merchant fleets. These men must be Americans, at least preference must be given to Americans at all times. The foregoing figures which show the per cent of Americans shipped each year indicates that the Bureau is striving hard to fill its assignment.

With the prospect of a bigger merchant fleet it is obvious that provision will need be made for securing more men. The "Merchant Marine Act, 1928" provides for an American Merchant Marine Training School. The act is "to promote, encourage and develop an American Merchant Marine in connection with agricultural and industrial commerce of the United States, provide for national defense, the transportation of foreign mails, the establishment of a merchant marine training school, and for other purposes."

The following sections are self-explanatory:

Section 300. Under such rules and regulations as may be prescribed, the board is hereby authorized and directed to establish, by cooperation and use of existing facilities, or otherwise, an American merchant marine training school, hereinafter referred to as training school, and such sums as may be necessary are hereby authorized to be appropriated.

Section 301. Students at the training school

shall be known as cadet merchantmen, and applications for admission shall be examined according to such regulations and at such stated times as the board may prescribe. They shall at the time of their examination for admission be between the ages of sixteen and twenty years, physically sound, well formed and of robust constitution.

There shall be allowed at the training school two cadet merchantmen, to be appointed by each Senator and Representative in Congress, two from the District of Columbia, twelve to be appointed by the President, and twelve to be appointed by the board. Every graduate merchantman, upon permanent assignment to a regularly operated vessel, shall be eligible for appointment in the Naval Reserve without further examination.....

Section 302. Courses of study shall be along four general lines, namely, officer, artificer, general, and special classes. No training in any class shall exceed a period of three years, and the board shall determine the period of time for studies and training in the various classes. At the completion of training, each graduate shall, so far as possible, be placed on board a regularly operated vessel, or in an established shipyard, for a probationary period of six months.

During training compensation to cadet merchantmen in the various classes shall be as follows: Officer class \$50 per month; artificer class, \$40 per month; special class, \$30 per month; and general class, \$20 per month.

"The sea should regain the old glamour of the days when most boys wanted to run away and ship before the mast, like Dana, and when many of them do, America must see her own sons sailing under her flag. For sea power is here by right of heritage, and in no other way can she be mistress of her destiny."

New York Tribune Editorial.

OUR MERCHANT MARINE PROBLEM

CHAPTER X

The Importance of Transportation

Since the settlement of the New World, the problem of transportation has been of paramount importance. The Pilgrims were confronted with it; the different wars in which this country participated kept "transportation" before our people, and since the World War even more attention has been given to it. Today it is generally agreed that the solution of this problem will bring about the solution of the high cost of living, food distribution, and some economists go so far as to say that the future prosperity of this country depends a great deal on what is to be accomplished with the question of transportation, rail and water. The latter demands our attention as some success has already been attained by the Interstate Commerce Commission in the handling of the railroads.

Our merchant marine must be operated in the interest of the shipper to secure the greatest possible returns. Our producers and manufacturers of commodities to be exported and those who depend on the imports are the shippers in whose interest the Merchant Marine ought to be operated.

Our shippers are vitally interested in rates. The cost of transportation is one of their big problems,

and it is a matter of record that the operation of the Shipping Board fleet, well under way in 1921, undoubtedly had an influence in reducing the rates for ocean transportation. It is certain that in the absence of the government fleet the foreign interests would have charged a higher rate. When we consider that the freight bill in 1926 amounted to \$728,000,000, and probably averaged \$600,000,000 for the previous six-year period, the increase, although representing even a small percentage, would amount to millions. In commenting on this situation, in one of its reports, the United States Shipping Board said, "Had these higher ocean freight rates prevailed, the actual cargo tonnage carried would probably have been less, but had this occurred, the losses in foreign trade and the adverse affect on commodity prices would have represented a far greater loss to the Nation than the additional cost of ocean freight. Furthermore, had it been possible to pass on the increased cost of ocean freight to the foreign consumers and producers, it would in both instances have diminished foreign purchasing power in this market, and would probably have been reflected in still greater losses to our trade than those represented by the increase costs of ocean freight. Therefore, increased ocean freight rates constitute a burden on the foreign trade of a

Nation, and the lower the ocean freight rate the more favorable to the expansion of American foreign trade. In any policy for the development, maintenance, and operation of the American Merchant Marine, the shippers' interests should be given first consideration."

The plea for a bigger American Merchant Marine and its advantages from a transportation standpoint apparently does not interest all of our shippers. Some take the standpoint that it is not essential to maintain a large American fleet when the foreign companies, operating ships under foreign flags, are willing to transport our cargoes at a lower rate than the American ships can afford to do. This type of business man, a shortsighted economist type, is looking at the problem from the present day, is entertaining a selfish view and doubtless has not taken either the time or trouble to study the situation. He fails to appreciate that this plan has cost our country three billion dollars in addition to its hundreds of millions paid to our competitors annually. There can be no debate about the rates for the foreign operated ships being lower because of our higher cost of construction, higher standard of wages, and the lack of governmental aid which is given by the foreign governments. It means that the American ships must needs be operated at a great loss and surely such a state of affairs

cannot continue indefinitely.

The statistical department of the United States Shipping Board has compiled figures which show that the total commerce in foreign trade for a century from 1821 on amounted to \$148,803,179,380. Of this total the vessels under the American flag carried 24 per cent, leaving 76 per cent to be carried by alien bottoms. As half of this is represented by the British Merchant Marine it is evident that their participation in our commerce amounts to 38 per cent, or \$56,545,208,164. Figuring the possible revenue to the carriers, it will readily be seen that percentage the American interests received would be considerably less than was paid by American shippers to foreign companies.

During the early part of the period before mentioned, from 1821 to 1862, an average of 80 per cent of our total commerce was carried in American vessels while since the Civil War our share has steadily declined to an average for the period of 19 per cent. Since 1914 there has been a temporary advance to about 26 per cent of the total, while Great Britain has also profited by caring for about 42 per cent of the total commerce.

Further statistics show that in the last seven years of the period Americans have enriched foreign

shipping concerns in the sum of \$8,874,260,545. Such figures cause one to think of what it would mean if this vast amount was paid to American shipping. Despite these undisputed facts, there are business men in this country who voice the opinion that it is not necessary to build up the American Merchant Marine when foreign concerns will underbid our shipping interests. This vast sum would stimulate business in the United States, if spent in this country.

The failure of the American Merchant Marine to carry the major portion of the foreign trade since the passing of the Merchant Marine Act of 1920 is due largely to the failure of the government in providing for the expansion and speedier service necessary to keep pace with the Nation's rapidly increasing foreign trade, and to meet the competition of the faster built foreign merchant vessels. The construction of the latter has had the effect of rapidly increasing the obsolescence of the government fleet. Great Britain, Japan, France, Italy, and Germany, in the calendar years 1922 to 1927 inclusive, have built 1344 vessels of 2,000 gross tons and over, while there were constructed a total of only 33 American-flag vessels.

The farmer should play an important role in the problem of ocean transportation. He should be vitally interested and make his interest felt. The government is endeavoring to find a solution but, until the

farmer himself realizes the real situation and makes his realization felt in Congress, it is doubtful if the problem will ever be completely solved.

The ability of the farmer to market his wheat crop depends on his foreign markets. For the past few years the wheat surplus available for export has been, each year, 200,000,000 bushels. Upon the satisfactory disposal of this surplus largely rests the amount of money the farmer receives for his crops.

To prosper, the farmer must raise more than he eats, and sell the surplus. The more he sells at a profit the more he prospers. The market for the surplus is abroad. When the car loads of wheat reach the seaboard, seventy per cent of the wheat is placed in foreign ships, which will take it where it can be exploited by foreign agencies and foreign interests, and the American farmer will get whatever that foreign middleman broker decides to give him. This is because we have only thirty per cent of the ships necessary to carry our freight and are even in danger of losing them. England is the great middleman. By owning and controlling the bulk of the shipping of the world she controls the ability of other countries to deliver their products other than through the elaborate machinery of distribution, finance, brokerage, insurance, repair and port facilities she has built up all over the world. Each takes its toll and in the

and the farmer gets his price, the net price. The price of all wheat is based on what is paid for the surplus.

Europe is the largest buyer of our agricultural products. In 1927 we sold in European markets wheat to the value of \$163,000,000; lard, 489,000,000 pounds; meats, 242,000,000 pounds. The total ocean freight bill in 1927 amounted to \$760,000,000,* and a considerable portion of this is levied on the farmer.

The importance to the farmer of the United States controlling ocean freight rates is evidenced by what the slightest increase would amount to in dollars. With ocean rate increased one cent a bushel on wheat, the extra freight bill to the American consumer of imports would average \$13,000,000, making a total increase of \$36,000,000. *

Commissioner Frederick L. Thompson of the Shipping Board has made a careful study of the transportation situation. He looks at the problem as it is today and delves into the future to draw a picture of the problem that may come. He says in part, "Just at this time it is easy to get foreign ships to carry our products. But what about the coming time when trade is revived all

*Booklet issued by U.S.S.B., "The Farmer and the Merchant Marine," page 7.

over the world and the producers of every nation will be seeking to market their own goods? Does any American conceive that it will be easy to obtain foreign ships for American products in competition with the products of the nation whose flag that foreign ship flies? Not a bit of it. The foreign steamship lines would more probably raise their rate on American products, and the American farmer or manufacturer will find that when his goods are laid down in foreign markets by foreign ships he will have to take into consideration a little extra freight charge all of which will go on the selling price of this goods, thus placing a distinct handicap upon the American producer and manufacturer.

"A few years ago we were unable to transport our troops to France. We had neglected to build a merchant marine through aiding it to meet the competition of foreigners whose merchant marines were going concerns with wages connected with the industry, from the worker in the shipbuilding plant to the seaman and ship's officers far below our wage standards, and which were receiving various kinds of aid from their respective governments. The same story will be repeated in the matter of hauling American goods for the foreign markets a few years hence. The foreigners will be able to charge us what they please to transport our cargoes,

and, unless we have our merchant marine, our people will be the sufferers. We have slept peacefully for half a century while the foreign merchant marines were being fostered and developed. Do we want another rude awakening five years from now, or less?

"Foreign lines have long been farsighted and have met world trade problems in far better fashion than we have. They know the value of transportation systems that will carry a man or cargo from any interior point in any country to any interior point in any other country. They have consulted the needs of various markets and have met those needs. Their agents are everywhere looking for business and using the utmost efforts to give the customer what he wants and to deliver to him in the manner most convenient to him. When the market moves, the foreign shipping men follow the market.

"Organizations such as the foreigners have cannot be built up in a day or a month. It takes foresight and vision. We must do the same. Americans pride themselves on being progressive, and now is the time for them to look squarely at the transportation problem and at the foreign trade problem. We cannot be quiescent and allow other nations to take possession of those markets, aided in their efforts by their own merchant marines. We must build up our own foreign

marketing system and lay our goods at the doors of those who wish to buy them in our own ships. If we fail to use the necessary foresight, in a few years other nations will have intrenched themselves in the foreign markets and our effort to gain our share of the foreign trade will have lost its golden chance."

President Hoover says, "There is only one protection of our commerce from discrimination and from combinations which would impose onerous freight rates. That is to maintain upon these trade routes the regular operation of very substantial shipping under the American flag."

It has been said that "no business can succeed that depends on its competitors to make its deliveries." We can approach this question from the direction of necessary imports, for it is a fact that we are dependent on the other countries for supplies, and at the time of a crisis our difficulties would increase without our own merchant marine.

In the book entitled, "Dependent America," by William C. Redfield, formerly Secretary of Commerce, a carefully prepared review of war essential imports is presented on pages 208 to 210 from which the following is quoted:

"There are about two hundred commodities respecting which our situation was at some time critical during the World War. Having learned our lesson

in the severe school of experience, regular officers have been assigned since the Armistice to study the production and mobilization of these necessary commodities, and they are assisted by trade associations and technical societies and by civilians who are especially well informed. This study has included not only the mechanical and chemical means of production and the factor of transportation, but also the resources whence must come the materials for manufacture. One lesson gained from these inquiries is admitted to be 'that the United States is not inexhaustible in its resources.'* Allied to this-- a vital part of it indeed--is the problem which exists respecting thirty specific materials which are called strategic because they are essential to the prosecution of the war and because we either do not produce them at all or can supply them only in quantities which are insufficient even for peace-time requirements.* The list of these strategic materials follows:

Antimony	Iodine
Camphor	Jute
Chromium	Flaxseed
Coffee	Manganese
Cork	Manila Fiber
Graphite	Mica
Hemp	Nickel
Hides	Nux Vomica

*Cf. address of Colonel Hardy B. Ferguson, corps of Engineers, U. S. A. on "Some Problems of Procurement," before the General Service Schools at Fort Leavenworth, Kansas, January 1924, page 21.

Opium	Silk
Platinum	Sodium Nitrate
Potassium Salts	Sugar
Quicksilver	Tin
Quinine	Tungsten
Rubber	Vanadium
Shellac	Wool

"It will be well if every American citizen could carefully read this list and consider calmly the facts that lie behind it. It is not a mere estimate with a more or less doubtful personal equation. It is, on the contrary, a carefully prepared official statement with the experience and the authority of the War Department in support. It arose out of the strenuous effort to equip our forces during the World War. There is no nonsense about it; it deals with stern realities. We need every one of the items in peace; some of them we do not and cannot produce at all and of none is our supply sufficient even in these peaceful days. The coming of war, even the coming of those preliminary conditions which might seem likely to eventuate in war, would bring a demand for them which the resources of this country are unable to meet. Here is no screaming eagle, no illusion. Here, instead, is the plain fact of dependence upon other countries. Every continent is concerned. We may, in other words, need the help of the whole world to do our next fighting job, for wars between great nations are now of such a character that

all the earth takes part in the struggle, with its materials, if not with its men."

The lack of modern tonnage is a severe handicap in the expansion of our foreign trade. Our competitor nations have been quick to realize the importance of acquiring and constructing modern tonnage and to act upon it with the result that the carriage of our commerce is being gradually but surely diverted to foreign-flag vessels.

In the face of economic handicaps other maritime nations have made every effort to retrieve their shipping. In five years they have made rapid progress which is shown in tables * arranged by Alfred H. Haag, Director, Department International Shipping, Georgetown University School of Foreign Service.

Of merchant vessels actually completed during the period from 1921 to 1926, the principal maritime nations built for trans-oceanic service vessels of 2,000 gross tons and over, totaling approximately as follows:

*Printed and Distributed by U.S.S.B. in pamphlet form, 1928.

Country	Number of Ships	Gross Tons
Great Britain	599	3,500,000
Germany	172	950,000
Italy	63	506,000
France	72	450,000
Italy	52	250,000
UNITED STATES	14	137,000

Or for every single ship of this class that the United States has built, Great Britain has approximately forty-two; Germany twelve; France, five; Italy, four, and Japan, four.

Of ships building or contracted for at the present time, of the same class and service, the records disclose the following:

Country	Number of Ships	Gross Tons
Great Britain	142	980,000
Germany	49	395,000
Italy	28	300,000
Japan	19	100,000
UNITED STATES	4	63,000
France	8	58,000

Or for every single ship of this class that the United States is building or has contracted for at the present time Great Britain has thirty-five; Germany, twelve; Italy, seven; Japan, five and France, two.

Another striking comparison is in the number and speed of vessels of 2,000 gross tons and over suitable for trans-oceanic service registered under

the flag of the principal maritime nations.

Ships of Twelve Knots and Over

Country	Number of Ships
Great Britain	1280
France	277
UNITED STATES	235
Japan	206
Italy	186
Germany	153

In this class we rank third, being outclassed by our principal competitors, Great Britain, five to one.

Ships of Fourteen Knots and Over

Country	Number of Ships
Great Britain	435
France	105
UNITED STATES	101
Japan	56
Italy	55
Germany	29

Ships of Sixteen Knots and Over

Country	Number of Ships
Great Britain	145
France	55
UNITED STATES	37
Italy	27
Japan	10
Germany	9

Ships of Eighteen Knots and Over

Country	Number of Ships
Great Britain	38
France	19
Italy	9
UNITED STATES	6
Japan	2
Germany	2

Ships of Twenty Knots and Over

Country	Number of Ships
Great Britain	12
France	11
Italy	9
Japan	2
UNITED STATES	2
Germany	1

"The foregoing should convince the most skeptical of the urgent need for modern and faster ships to meet the existing and future world-wide competition. It is certain that if the United States is to continue as a factor in world shipping, a replacement program of modern competitive types of ships is imperative. This is a very serious question in view of our higher costs of ships construction as compared with those abroad.

"The question is often asked, does America require a merchant marine? This can best be answered by the Socratic method: Should a country whose wealth is estimated at 400 billion dollars, with an international trade of ten billion dollars annually, with a freight bill for transporting this commerce of 600 million dollars, whose prosperity is dependent on its ability to dispose of its surplus products in the world markets, and which is largely dependent on its imports of raw materials in the operation of many of its industries, rely on other countries to carry its

commerce and expand its foreign trade?

"It requires no student of economics to answer that question. Past and recent experiences have proven to us that we cannot rely on foreign-flag ships for this purpose. There is only one economic method of expanding our foreign trade and that is by transporting the greater portion of it in American manned and American owned ships which can render services on an equality with those of our competitors."*

*Professor A. H. Haag

OUR MERCHANT MARINE PROBLEM

CHAPTER XI

Merchant Ships Vital to National Defense

The American Merchant Marine should be on a par with the merchant marine of any other country. There is little fear of this statement being questioned for all who have the interest of the country at heart seem to agree upon the necessity of an adequate merchant fleet.

Our country leads the world in industry and there is a desirability to possess an American Merchant Marine to distribute American products through the world and to develop in the best possible way new markets for American goods.

A new and vital need for an adequate merchant fleet has come with the treaties of alliance and agreement to limit naval construction. This means that the United States should have a navy equal to that maintained by Great Britain. The sea power of Great Britain, however, is not confined to her navy, for in time of war the merchant ships are converted for war purposes and serve to augment her fighting forces. It has been said that the converted merchant marine of Great Britain would excel in importance

the battleships. Great Britain has developed her merchant marine and is further developing it. With these points in mind it may readily be seen that an American Merchant Marine is very important, not only from the standpoint of providing transportation for our goods, but a vital matter for an adequate naval defense.

Speaking in the Senate during one of the sessions of the 67th Congress, Senator Ransdell, in a plea for careful consideration of the merchant marine problem, said in part:

"From now on we shall have a navy just as great and strong as that of Great Britain who, for so many years, has been the mistress of the sea.

"There is only one way, however, for the expectations of equality to be realized and that is for America to make material additions to its commercial fleet. It is well understood that swift vessels of commerce carrying both freight and passengers, and having a speed in excess of 15 knots--preferably 20 knots or over--can be and are utilized very effectively as auxiliaries to the navy in time of war. These swift vessels, having a tonnage of 10,000 to 15,000 and over, prepared to handle passengers as well as freight, and to perform both general and special service

on the sea, are complements and essential part of a complete and perfect navy.

"Great Britain is well supplied with vessels of this character. She has a total of 146, while the United States has 44. In other words, Great Britain has nearly three times as many ships which are susceptible of being used as naval auxiliaries as the United States.

"How shall the inequality be overcome? Vessels other than fighting fleet which would be needed by the navy in time of war, and which largely would be drawn from the merchant marine, include scouts, colliers, ammunition ships, supply and refrigerator ships, tankers, hospital ships, repair ships, dispatch vessels, mine sweepers, submarine tenders, destroyer tenders, gunboats, and yachts. These necessities involve not only problems of material but also--and perhaps of even greater importance--of personnel. Our experience during the Spanish war, and the situation that confronted us when we entered the World War, should be convincing evidence of the necessity of an adequate merchant marine as a matter of national defense. Any limitation through international agreement in future construction of naval vessels will render the necessity of a merchant

marine and its personnel of even greater importance than it has been in the past in determining naval and military effectiveness; and without an adequate merchant marine the safety of our country might easily be imperiled."

Admiral Benson, chief of the naval operations during the World War, in writing on the subject of merchant marine, said in part: "With a healthy, well-developed merchant marine in operation, a nation need not spend so much money on its actual naval auxiliary, since, when war comes, its merchant marine is immediately called into service to support the navy. For many years America had been without that necessary support."

Secretary of the Navy, Wilbur, is quoted: "The merchant marine, essential to the economic development of our country in time of peace, becomes a vital element of national defense in time of war. Its building up and development with vision and resolution is a subject of importance to every citizen."

The problem of enlisting the aid of the merchant fleet to assist the Navy is not by any means a new one. It is a fact that the necessary support has not been forthcoming and the new treaties serve to bring the problem more in the limelight. Years back, in the

days of the early settlers, the question of national defense was prominent. When the war with Spain came, the navy did not have any real auxiliary support and Admiral Dewey was compelled to hire British vessels to carry fuel and other supplies into Manila Bay. When President Roosevelt sent the American fleet around the world there was a conspicuous absence of American ships to carry the supplies. The lesson of the World War is still fresh in our minds.

There can be no question but that auxiliary vessels are necessary for our fighting forces during a war. It is also essential that these ships be available and this can only be accomplished when we have our own vessels under our own flag of suitable type and in ample numbers. We should not hesitate in encouraging legislation in support of this one phase of national industry and trade that is an important element in our national defense.

"Without an efficient Merchant Marine, no nation can maintain an efficient Navy," is a statement that has been made by advocates of a bigger merchant fleet. The Shipping Act of 1916 emphasizes this when the creation of a naval auxiliary, a naval reserve, and an American Merchant Marine were all considered of equal importance for the national defense.

The President of the United States has spoken of the importance of the Merchant Marine in his messages to Congress. In the message of 1923, the following statement appears: "The entire well-being of our country is dependent on transportation by sea and land. We must have a Merchant Marine which meets these requirements, and we shall have to pay the cost of the service." In 1925 President Coolidge makes this clear by the following statement: "The maintenance of a Merchant Marine is of utmost importance for national defense and the service of our commerce."

Rear Admiral William S. Sims, in addresses made in behalf of the American Merchant Marine Library Association, has effectively stated the necessity of an American Merchant Marine manned by American seamen as follows: "In time of war, when our lines of communication have to be kept open and protected, and millions of tons of supplies have to be carried across the ocean, a merchant marine is absolutely essential to the national defense. No matter how many battle-ships, destroyers, submarines, and other types of ships we have, they cannot leave the coast unless we have a merchant marine to supply them."

About twenty-five years ago, a distinguished foreign naval authority expressed himself on the subject of naval reserves as follows: "Looking at

the problem from the standpoint of the statesman, it should be the aim to strengthen our Navy, as far as possible, by means which least tend to stimulate the regrettable rivalry in the maintenance of excessive armaments. Constant and large additions to the permanent force have that effect. A force in reserve does not in the same degree provoke to retaliatory measures."

It is apparent that some nations have acted on this theory with success. Great Britain has a wonderful reserve force called the Royal Naval Reserve which is a merchant marine reserve solely. Its numbers vary from time to time and range between 10,000 and 35,000 in numbers. In return for an annual expenditure of \$2,000,000, the members are not only subject to service when needed, but they are expected to keep in constant training on active ships in order to maintain efficiency. This training is usually started in early youth and includes courses in gunnery, torpedoes, signals, navigation, and fleet maneuvers for deck ranks, and ratings and highly technical instruction is also given to the engineer branches.

The limitations and equalization of armaments have placed the balance of power in merchant vessels of the contending nations. Large and swift commercial ships, properly armed and manned, are superior as war vessels to many of the present cruisers. They can be

used as commerce raiders to better advantage. The development of a merchant marine naval reserve is one of our biggest and most important problems, as an asset to the country, to the national defense and to the Navy. It is one that the American people should support.

The policy of the United States appears to be very clear. The first part of the opening paragraph of the Merchant Marine Act of 1920 very clearly and definitely states:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that it is necessary for the national defense and for the proper growth of its foreign and domestic commerce that the United States shall have a merchant marine of the best equipped and most suitable types of vessels sufficient to carry the greater portion of its commerce and serve as a naval or military auxiliary in time of war or national emergency, ~~ultimately~~ ultimately to be owned and operated privately by the citizens of the United States; and it is hereby declared to be the policy of the United States to do whatever may be necessary to develop and encourage the maintenance of such a merchant marine."

OUR MERCHANT MARINE PROBLEM

CHAPTER XII

Governmental Aid Necessary

Our merchant marine is one of our most intensely competitive industries and one industry that has been left unprotected by the United States government for more than sixty years. It is an historical fact that aid in some form has been given by every nation which has had a real merchant marine. This aid has been offered to shipping so as to meet some handicap imposed upon it by certain natural or economic resources possessed by other nations.

President Harding's proposal for Government Aid to Merchant Shipping during the 67th Congress was a recommendation for a subsidy. The use of the word, "subsidy" has been criticised on the ground that Americans are opposed to subsidies; they do not like the sound of the word. President Harding's recommendation was based upon the principle that, from the standpoint of national prosperity as well as national security, the American Merchant Marine imperatively called for fostering and encouragement, rather than the neglect that has

been its portion for the past several generations. A bill was passed by the House of Representatives providing for a subsidy. This bill later went to the Senate and a protracted debate took place "pro and con." The Harding bill was finally killed by a filibuster. No attempt has been made since 1922 to present a new subsidy bill. The United States Chamber of Commerce, the writer understands, is interested and there is a possibility that some action may be taken which may result in a bill being filed with the present Congress.

It is the consensus of opinion that government aid is necessary because of the higher costs of the operation of ships under the American flag. This is the result of higher wages being paid the officers and men, high subsistence costs, and a larger expense and outlay with reference to interest charges, insurance and depreciation on our admittedly higher ship values.

The "Merchant Marine Act, 1920" provides for some aid to American shipping. The direct aid compensates to some extent for the operating differential between American and foreign ships, and the establishment of a fund of \$125,000,000 (increased to \$250,000,000 by the Merchant Marine

Act, 1928) to encourage the building of new and desirable types of ships, and to equip these ships with most modern and most efficient machinery. The indirect aid follows the policy of the government to give every reasonable indirect advantage it may by regulation or legislation to American shipping.

The carrying of government troops on commercial vessels whenever practicable is provided. Section 601 of the Merchant Marine Act, 1928, provides for overseas transportation of passengers at the expense of the government to be on ships registered under the laws of the United States, except in a case of an emergency. The merchant shipper receives a reduction in his net Federal income tax on the basis of freight paid by him for goods imported or exported in American owned ships. An effort is made to secure a fair portion of the immigration coming to this country, and preference in carrying mail is given to American ships. The above measures for indirect aid, with others of a lesser importance, will not be sufficient to permit our merchant fleet to carry on successfully in competition with foreign-owned ships. Direct financial aid is necessary.

There are three available methods that may be employed to enable our merchant fleet to compete

with Great Britain, our biggest competitor, and other nations as well. All three plans have their supporters.

Plan One might be with reference to preferential duties. This has been tried by the government and advocates of the method could argue that this scheme has demonstrated its value by the actual creation of an American Merchant Marine in the past.

Plan Two would bring about public ownership and operation which could be logically argued as being in line with modern economic and political development. Also, that it should be developed and maintained on the same basis as the Postal Service, the Navy, and the Army, as a national service, in the benefits of which all of the people share.

Last, comes the subsidy. This is by far the best method, we are told, for it is the surest. It is the method employed by nations which actually possess great merchant fleets, England and Japan.

The Congressional Digest, in its July issue, published a historical review of what America has done in the matter of assistance to its shipping. The Digest is quoted:

"1789--On July 4, 1789 the first Federal Congress of the United States enacted a law for

"the encouragement and protection of manufacturers," also for "the encouragement and protection of navigation and shipping" by a provision allowing a differential rate of ten per cent of custom duties imposed by the same law on all goods imported in the United States in ships built and owned by American citizens. The same Congress enacted a law allowing American built ships owned by American citizens to enter our ports with the payment of tonnage dues of six cents a ton, while demanding thirty to fifty cents a ton from vessels not meeting the requirements.

"1794--Congress amended the tariff and navigation act of 1789 by providing that in place of the ten per cent discount in the duties on imports brought in American vessels, ten per cent should be added to the tariff rates on goods imported in foreign vessels. This policy of encouragement to American shipping by preferential customs duties and tonnage taxes, though greatly reduced, remained in force until 1850, when the United States was vigorously applying mail subventions to the encouragement of ocean steamship lines and of the design and construction of marine machinery.

"1845--The act of March 3, 1845 was the first real subsidy step taken by Congress and provided

for the transmission of the mails between the United States and foreign countries in American ships. It was enacted on the recommendation of President Polk. The Act empowered the postmaster general to make contracts with steamship companies for either a fixed subsidy or the postal rates. The liberal rates provided in this Act did not prove sufficient inducement to Americans to establish mail steamship lines.

"1847--On March 3, 1847 Congress passed a law 'to provide efficient mail services, to encourage navigation and commerce, and to build up a powerful fleet for use in case of war,' and provided generous subsidies. Under this act all subsidized ships were subject to purchase or control by the United States Government whenever the action demanded.

"1855--Just prior to the civil war Congress reduced and then withdrew the post subvention. In 1856 the principal subvention, that to the Collins line, was cut to \$385,000 a year; a further reduction to \$346,000 a year was made in 1858. Since 1858 no real sustained trial of an adequate policy of direct aid has been attempted by the United States.

"1891--After much urging by maritime and commercial interest, Congress passed a bill granting direct aid to both mail and cargo steamers. This law of March 3, 1891, was vigorously enforced by

President Cleveland, in whose second administration the new American line of trans-Atlantic steamers with first-class ships of twenty knots, was established from New York to Southampton. This mail subsidy law had the support of both parties in Congress. After 1880 our foreign commerce in American ships dropped rapidly from 65.2% in 1861 to 26.2% in 1875, to 12.8% in 1890, and to 8.2% in 1901.

"From 1891 to 1914 Congress was petitioned for adequate encouragement to American ocean shipbuilding and navigation. Following the Spanish war, a bill granting direct aid championed by Senators Frye and Hanna, passed the Senate but could not win favorable action in the House. In 1904 President Roosevelt secured the appointment of a Merchant Marine Commission of Senators and Representatives to study the shipping question and present a report.

"1906--Another bill, granting aid to both mail and cargo vessels, recommended by the Republican majority of this commission, passed the Senate on February 14, 1906, by a vote of 28 to 27. The House eliminated the aid to cargo vessels from the bill, and mail subvention was restricted to certain lines to South America. In this form the bill was passed by the House on March 1, 1907, but the concurrence of the Senate was prevented by a filibuster in the last hours of the expiring Congress.

"Senator Gallinger brought forward the bill in postal form, and it was passed by the Senate on March 20, 1908, without a division. This bill, as an amendment to the post office appropriation bill, was brought up in the House on May 23, 1908, and defeated 145 to 153. On March 2, 1909, on a roll call in the House, the ocean mail bill was again rejected by a vote of 172 to 175.

"1922--February 28, 1922 President Harding delivered to a joint session of the Senate and House of Representatives his recommendation for building up the American Merchant Marine.

"On the same day Senate bill 3217 was introduced by Senator Jones, of Washington, chairman of the Senate Committee on Commerce, and H. R. 10644 was introduced by Mr. Greene of Massachusetts, chairman of the House Committee on Merchant Marine and Fisheries. These bills were identical.

"An arrangement for joint hearings was entered into between the Senate Committee on Commerce and the House Committee on Merchant Marine and Fisheries. Sessions were held beginning on Tuesday, April 4, and continued practically without interruption daily until Friday, May 19. On June 16 the Greene Bill as amended was reported to the House where it is awaiting action. The Senate bill is still in the committee."

Foreign governments are assisting in developing and encouraging their merchant fleets and such assistance has to be met if the American operator expects to successfully compete with foreign interests. Capital is loaned by some foreign governments at a low rate of interest as an inducement to build modern type ships. Mail subventions are paid and other forms of assistance rendered. All of these aids assist in maintaining successful merchant fleets and if we are hopeful of regaining our lost position in the shipping world, it would seem that government aid is necessary. When this matter is discussed, the question usually involves one or two methods of direct aid, either the government owned and operated plan or subsidy.

In the United States Senate on January 31, 1928, the members gave consideration of bill S. 744, "to further develop an American Merchant Marine, to assure its permanence in the transportation of foreign trade of the United States, and for other purposes." Senator David I. Walsh of Massachusetts spoke on the merits of the bill and expressed himself in favor of government ownership. He said in part:

"I want to call attention to the fact that we went into the business of government ownership and operation of a merchant marine during the war.

When we found ourselves in need of ships to transport our troops and take care of our commerce, we found no privately owned ships to commandeer. We were forced into government building and operating of ships. We took over the railroads, and after the war returned them to their owners. When the war was over we had no one to return the ships to, but instead, the problem of deciding what to do with the merchant marine which we built during that period and put upon the seas. There were two courses open to us, one to dispose of the ships by selling them to private interests and the other to proceed to operate the ships under government control. We have been doing both.

"The published records of these hearings indicate forcefully one thing, and that is that a permanent American Merchant Marine--by permanent I mean replacement, the two terms are synonymous in this connection--is impossible unless government aid is given to the individual operator, owner, or shipyard. Such aid has not been and will never be given by Congress.

"In the absence of such aid, what are we to do? Because we cannot give a subsidy, because we will not give a subsidy, must we see the merchant marine of the United States vanish from the oceans of the world? Because one remedy is impossible are we

forced to the conclusion that no other remedy can be applied?

"Mr. President, the period since the war has witnessed in foreign countries the most remarkable development in the shipbuilding art that has taken place in any similar period in the history of the industry; that is, the construction of a huge number of modern motor cargo liners. What does this mean? It means that the nations of the world realize the success in the over-seas cargo-carrying trade will go to the nation which possesses vessels having high speed, large carrying capacity, and are thus able to render a higher type and better service than their competitors. What has the United States done during this 10 year period? I advert to an earlier statement that I have made, and repeat it here; there has not been constructed in the United States one cargo liner or passenger and cargo vessel for the foreign trade.

"Mr. President, I believe that Congress and the people of the United States have definitely resolved in overwhelming majority that they will insist on having a merchant marine, and that the Stars and Stripes shall not vanish from the oceans of the world.

"I do not suggest that we assume an arrogant position in the trade of the world. I am only asking

that a fair proportion of the commerce of these United States be carried in American-flag ships, but I am prepared to insist to the utmost that this proportion shall be at least fifty per cent, and I am prepared to do anything that will insure a permanent merchant marine of the 'best equipped and most suitable type of vessels.'

"In conclusion, Mr. President, I desire to record that I am strongly in favor of a permanent merchant marine, and I sincerely believe that this body is carrying out the mandate of the people of the United States, which is, first, a permanent merchant marine, publicly owned if necessary, but a merchant marine consisting of ships, self-perpetuating through replacements. A great many Senators, including myself, would prefer private operation, but we do not prefer this theory at the expense of the American Merchant Marine. If Senators vote against the proposal now before this body, in my judgment they vote against a permanent American Merchant Marine, because, so far as we can see at this time, and so far as the records of Congress indicate, the permanent American Merchant Marine in private hands in foreign trade is an impossibility."

OUR MERCHANT MARINE PROBLEM

CHAPTER XIII

Governmental Aid Necessary-Continued

The strongest argument in favor of subsidy is the fact that successful maritime nations have provided some direct aid to help all in the shipping industry. The point of ship subsidies is that each nation has resorted to them in one form or another whenever they were necessary to insure her having control of the shipment of goods she intended buying or selling abroad. America is now in a position which makes it necessary for her to have an ocean going fleet under her own flag, and to accomplish this a subsidy is necessary, it may be argued. In any case, the matter of a subsidy is always debatable and one that is alive at all times.

"Why should we pay taxes to help shipowners?" was a question sent to the United States Shipping Board. Commissioner Lasker replied: "The answer to this question is that we do not. This question implies that the shipowners are to be the sole beneficiaries under a ship subsidy bill. They will receive benefits to the extent that they will be put on an even footing with our nearest competitor, Great Britain, whose advantages

lie in cheaper cost of construction and cheaper labor in operating ships. While we are helping shipowners, we are also helping the workers in the shipyards and the workers aboard ship. Before the war most of our American steamship owners were operating their ships under foreign flags because of the many restrictions laid upon them by our maritime laws. We brought them under the American flag during the war and we want to keep them there. They operated successful under the American flag during the war because of the abnormal conditions, just as many manufacturers made money during the war who are not making it now. Now shipping is at a low ebb the world over, but even when normal times return, the Americans will be sadly handicapped unless aid is given, for everything costs more in the shipping business in America than it does in other countries. The ship operator is but one part of the entire shipping industry which we are aiming to keep alive."

Organized labor through the American Federation of Labor is both interested and active in all bills before Congress that have to do with its members. Labor did not enthuse over the subsidy bill, principally on the ground that the bill contained provisions which practically made conscription, a condition precedent to their employment on privately-owned vessels. The

clauses referred to, according to the interpretation put on them by labor, provided that the enrollment of seamen is compulsory; that it prescribed that they shall be enrolled for a period of four years, compelled to render service in time of war, and subject, in time of peace, to the instructions and regulations prescribed by the Secretary of the Navy. Also, the fact that subsidy would not be given to the ship operator unless his men were enrolled, which meant, according to the labor viewpoint, that that the seamen would need to enlist to get work.

In reporting on the bill of the annual convention of the American Federation of Labor the committee said in part: "We find that the bill provides for an enlistment of seamen in the naval service, and in fact makes employment on a subsidized vessel conditional upon such enlistment. It is equal to a law which would make it necessary for a carpenter, a miner, a molder, or any other tradesmen to become a member of and remain in the National Guard before he could work at his trade within the state in which he lives.

"That we have not now the necessary number of native or naturalized seamen needed for the merchant marine and the navy is a fact that is not disputed: it is patent to all who are at all acquainted with maritime conditions. The American boy is not seeking the sea as a means of livelihood. The American man is seeking

and finding more agreeable and more remunerative employment on shore.

"If the seamen and fishermen employed in our fisheries and our coastwise and lake trade were either native or naturalized Americans, the number of men necessary for the navy could at any time be obtained. The difficulty, therefore, lies not so much in the number of men as in the number of men available, and the primary cause is that for some reasons the American does not seek the sea or remain there. If the American does not seek the coastwise trade, there is no competition with foreign vessels and low wages, and onerous conditions are not caused thereby or an excuse thereof, there seems to be no reason why he should seek employment in the foreign trade where the shipowner has the reason of competition for the wages and conditions which he imposes upon the seamen. The American ceased to go to sea because he could do better on shore than he possible could at sea, where, no matter what the industry or thrift, he could not and cannot earn sufficient upon which to keep a family.

"Having been relieved of risks and liabilities, and having been given immunities as have been herein mentioned, and having driven the American from the sea, thereby weakening our navy, and now employing and thereby training foreigners and men of alien and

antagonistic races, making them ready to be employed by other navies, he--the shipowner--insists on continuing these conditions, while he urges Congress to further tax the whole American people to help him carry on his private business. Your committee recommends that the American Federation of Labor reiterate and emphasize its condemnation of any such legislation and especially against this bill with its un-American provision for conscription."*

Mr. T. V. O'Connor, now chairman of the United States Shipping Board, has replied to the stand taken by labor with reference to a ship subsidy. Chairman O'Connor previous to entering the government service was active in labor circles and is sufficiently versed and broad-minded to present views of interest. He said in part:

"It is puzzling to me that representatives of organized labor in this country should hesitate for one moment to support a ship subsidy bill. I served as President of the International Longshoremen's Association for many years, and have been a union man practically all my life; therefore, I feel that I can speak from experience and with full appreciation of the worker's viewpoint.

A ship subsidy bill which is going to furnish

more ships and furnish more work to men building ships, repairing ships, and manning ships, certainly ought to be more thoroughly considered and more fully discussed from the laboring man's standpoint. It is impossible to consider properly this legislation without giving due regard to its effect upon American labor in the furnishing of more work and better wages in keeping with the high standard of living. A ship subsidy bill will naturally increase American tonnage and as fast as this is done, more work will be supplied to the shipyard workers in all departments, to the metal trade workers, carpenters, painters, boiler makers, and others. As ships are completed and put into service it naturally follows that additional men will be required to man them and keep them in repair.

"Many reasons have been advanced why we should have a ship subsidy. I should like to present the prevailing viewpoint of the marine and water-front workers. We have been doing as much as possible along the line of Americanizing American ships without a ship subsidy; but we must make it obligatory on private owners under proper legislation to carry a large percentage of Americans in their crews, not alone because we want a real American Merchant Marine for purposes of trade, but also as a matter of protection in order that ships may be available as naval auxiliaries.

"The plan in making possible an American Merchant Marine and increasing the demand for American tonnage, thus bringing about the employment of Americans where foreigners are employed, is especially designed to preserve to American labor that higher standard of living which custom has well established, realizing that marine labor has remained so long unprotected notwithstanding the fact that other American labor is protected from foreign competition.

"The higher standard of living in this country, and I might say the higher cost of living, is generally well understood. We know that when business picks up the American seaman will be attracted to other industries, and this condition can be met only by assisting the shipowner to the extent that he will be enabled to pay the higher American wage on his ship. The result will be to increase the efficiency of our American ships, as well as a direct benefit to labor by furnishing dignified employment."

Organized labor in its report on the subsidy bill gave special attention to the "conscription" clause which means compulsory enrollment in the naval reserve. Allowing that this was the correct interpretation, the question might be asked if it was not proper for the government to expect something in return, both from the shipowners and the seamen, if subsidy was granted.

The compulsory part of it could be modified, if found to be of serious consequences, and the attention of labor called to the fact that ships are needed as well as men in time of war. The point mentioned, that the personnel of coastwise vessels would fill the needs of the navy in time of war if these ships were now manned by Americans, was well taken. However, despite the fact that coastwise ships are under the American flag, there is no obligation on the part of the operators to hire Americans for their entire crew. The number of coastwise ships registered would not supply the auxiliary ship needs of the navy in time of war, and would mean that our position in the foreign shipping world, however lowly it may be at the present time, would be of a minus quantity in the matter of a few years. This outlook necessarily brings to notice the importance of transporting our products in our ships and the necessity for both ships and men as auxiliary forces in the national defense.

The Congressional Record for the 67th Congress prints a one-page leaflet prepared by Mr. C. A. McAllister, Vice President of the American Bureau of Shipping, giving ten good reasons for the ship subsidy. It is brief and full of meat. The following

are the reasons:

1. World conditions now make sale of goods in competitive foreign markets more difficult than ever. The American farmer, miner, merchant, and mechanic cannot compete in selling their excess products abroad unless we have our own delivery system, owned and operated by Americans.
2. A merchant marine is as essential from the national defense as the Navy itself. Without this Government help we will have no merchant marine; hence, our means for defense would be crippled one-half. The cost of the entire subsidy will be less each year than the cost of building one modern battleship.
3. We have by sale of Liberty bonds during the war raised and invested over \$3,000,000,000 in merchant ships. Without this subsidy these vessels cannot be operated at a profit to private owners. Hence they cannot be sold, and we face the loss of nearly the entire amount invested. By making ship operations profitable in private ownership, the ships can be sold for at least \$500,000,000,

an amount far in excess of the 10 years' total subsidy. The taxpayer will thereby eventually have his taxes reduced instead of increased.

4. The operation of ships under present Government management has vastly increased our foreign trade. It is, however, costing the taxpayer directly over \$50,000,000 per year to make up the losses of Government operation. This amount will be saved almost in total in placing these ships in private hands by means of the subsidy.
5. Heretofore we have been paying an average of \$300,000,000 annually for freight and insurance to foreigners for carrying our goods. This vast amount can mostly be kept in our own borders through the means of the subsidy act. In other words, considering shipping alone, an investment of \$1 by the Government will keep \$10 at home.
6. The creation of a permanent and efficient merchant marine by means of the subsidy act will furnish additional employment to over 100,000 Americans on board ship, in the shipyards, the steel mills, the iron mines, and in the many other industries which are necessary to build and operate ships for the foreign trade. Every man thus employed must be well fed, and the American farmer will

be benefited by raising and selling the food to them and their families.

7. The history of the past is the best guide for the future. No nation in the world's history has been truly great without owning and operating its own naval and merchant vessels. We all aim to make the United States the greatest nation upon which the sun has ever shone. This cannot be done unless we encourage our merchant marine.
8. We Americans have the money and the desire for foreign travel. Heretofore we have had to be humiliated by traveling everywhere abroad under alien flags, and seldom, if ever, seeing our flag displayed on the ocean. Our national pride need no longer be offended, as the passage of this bill will place and keep Old Glory on the seas. A citizen without national pride is undesirable and unworthy: he is a disgrace to himself and to his country.
9. Without this encouragement to our merchant marine we will build no more ships. We have by international agreement already stopped the building of fighting vessels. Hence, without any work to do, shipbuilding will become in America a lost art. Without shipbuilders and shipbuilding

facilities this Nation will be helpless both for commerce and for self-defense-- an emasculated giant in the family of giants.

10. Our rivals for the world's trade view with great alarm the prospects of the passage of this bill, and their emissaries, masquerading in many instances as patriotic citizens, are spreading insidious propaganda and doing their utmost to defeat the measure. This is the strongest evidence possible why the bill will benefit America and why it should receive the support of patriotic Americans.

The United States occupies a rather unique position with reference to a subsidy question. It is a fact that we are the only maritime nation in which the question of subsidy is ever debated.* We are the only one to hesitate to employ a subsidy policy commensurable with our means and opportunities. Senator Walsh of Massachusetts is quoted as saying that we never have and never will.

Subsidy has been included with other forms of national aid by other countries. It appears to be a fully established practice of all sea-trading peoples

*Senator Ramsdell reported in Congressional Record

for to all purposes it produces results. It would seem as though Americans would need to treat this subject with an open mind for it may be possible that the other nations of the world in their attitude towards the subsidiary question have been right and we have been wrong.

"The foreign commerce of the United States represents the surplus production of American factories and farms and the widely developing appetite of American consumers for the products of other lands. It represents the answer to that self-sufficiency and self-complacency with which we have too often been wrongly charged--that commerce is the safety-valve for the productive capacity of the United States. Without it our prosperity may at any time explode."

Government^{or} ~~ment~~ Brewster of Maine in his address before the Boston Chamber of Commerce in November 1927.

OUR MERCHANT MARINE PROBLEM

CHAPTER XIV

An Adequate American Merchant Marine

The ideal American Merchant Marine should be on a par with other nations with reference to tonnage, should be of the most modern type with special emphasis on speed, and should be readily convertible as an auxiliary to the navy in the national defense. Such a fleet would cater to the American shippers and readily meet the requirements for our foreign trade and defense.

It should be permanent and government aid should provide for a term of years to care for the construction, maintenance and operation of the fleet. The permanency of the American Merchant Marine has been questioned in the past and this has served to handicap the American operator. If Congress would plan its appropriations for a period of at least ten years, the uncertainty in the public mind might be removed. This is important because of the need of arranging long term contracts.

We hear so much about "good will" in business and find many definitions for the same. It is really the good opinion the buying public has, and it is

developed through confidence. We are apparently, at the present time, unconcerned with reference to our foreign trade, and other nations are building up a good will which clearly means that it will take some time for this country to develop a fair share of a good will that is so well established. This means time as it does in the case of any business enterprise during the early years of its life.

There are certain conditions which must be considered if the American operator is to make sufficient returns so as to encourage him to remain in the business. They are the construction and operating costs.

It is a well-known fact that the cost of constructing vessels in American shipyards is greater than in other countries. The following table* offers a comparison of the costs:

*Report by Alfred H. Hagg.

Type of Vessel	Kind of Fuel	D.W.T.		American Cost	
		American	British	Per D.W.T.	Total
Freighter	Coal	8,360	8,360	\$ 95	\$ 794,200
Freighter	Oil	10,000	10,000	125	1,250,000
Freight Steamer	Oil				
	Burner	8,800	8,800	95	836,000
Freight and Passenger	Coal				
	Burner	17,281**	21,700**	391**	6,750,000
Freight and Passenger	Oil				
	Burner	11,900**	11,600**	284**	3,375,000
Tanker	Steam	10,387	10,387	110	1,142,570
Tanker	Diesel	10,144	10,144	130	1,318,720

Type of Vessel	British Cost		: American Costs Exceed British	
	Per D.W.T.	Total	Total Amount	Percentage
Freighter	\$ 57	\$ 476,520	\$ 317,680	40
Freighter	80	800,000	450,000	36
Freight Steamer	57	501,600	334,400	40
Freight and Passenger	207**	4,500,000	2,250,000	33
Freight and Passenger	194**	2,250,000	1,125,000	33
Tanker	73	758,251	384,319	34
Tanker	86	862,384	456,336	35

**Gross Tons.

The operating costs are greater than those of foreign vessels. Wages and subsistence of an American oil burning cargo will average 194.6 per cent higher than the Japanese; 183.5 per cent higher than the French; 155.4 per cent higher than the Italian; 50.2 per cent higher than the British; and 46.1 per cent higher than the Norwegian wages and subsistence.*

Wages and subsistence of an American coal burning cargo vessel of 9,001 D.W.T., \$4655 per month, are 239.4 per cent higher than the Japanese; 226.6 per cent higher than the French; 194.2 per cent higher than the Italian; 73.4 per cent higher than the British; and 68.3 per cent higher than the Norwegian wages and subsistence.*

Regularity and frequency of sailings are essential if the American Merchant Marine is to be dependable. This is necessary because no business man would be expected to hold his goods and tie up his capital. It is interesting to record that the United States, always noted for its initiative in years gone by, inaugurated the first around-the-world schedule. Robert Dollar in the Atlantic Monthly, September, 1927, writes: "Ship-owners are striving very hard to regain a small part

*Report by Bureau of Operations, United States Shipping Board, April, 1928.

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of our carrying trade that foreign nations have been receiving. The Shipping Board, appreciating the great difficulty privately-owned American ships were experiencing in competing with foreign-owned tonnage, adopted the policy of disposing of the American government-owned tonnage to private corporations... We were able to purchase a fleet of American combination freight and passenger vessels which were placed in the round-the-world service some four years ago. The United States was the first nation to do this and is the only one maintaining a regular round-the-world passenger service. Up to the present time over ninety ships have completed the round trip, calling at twenty-two ports of eleven nations, and sailing on time from every port."

The ships of the foreign competitors are faster than the present American fleet. We have lost business because of our slow crafts and are in a position to lose even more, if not all of it, unless some replacements of faster ships are made. Our business men cannot be expected to ship under the American flag when foreign vessels of more speed are available.

The cargo tonnage serves as an accurate measurement of what a merchant fleet is doing. We have spoken of the falling off in business and this is

clearly shown in statistics which give the cargo tonnage.

The water-borne foreign import cargo tonnage of the United States carried in American ships declined from 23,454,831 cargo tons in the calendar year 1921 to 21,105,153 tons in 1926, a decline of ten per cent. The water-borne foreign export cargo tonnage of the United States carried in American ships declined from 18,557,464 cargo tons in 1921 to 17,122,082 tons in 1926, a decline of 7.7 per cent. The water-borne foreign import and export cargo tonnage of the United States carried in American ships declined from 42,012,295 cargo tons in 1921 to 38,227,235 tons in 1926, a decline of nine per cent. While the above declines were recorded in the carriage by the American Merchant Marine that carried in foreign-owned vessels, increase of 142.4 per cent for imports and 69.6 per cent for exports, and the increase for the five years, amounted to 87.4 per cent.*

Mention is made from time to time that the American Merchant Marine should serve as an auxiliary to the Navy in time of war. Congress gives prominence to this necessity in its bills and in the planning of

*Report by Bureau of Operations, U. S. S. B., April, 1928.

a new merchant marine the vessels should be designed in such a way that they may be converted into light cruisers. This is not a new idea because Great Britain had converted thirty-nine of her merchant ships before the entry was made in the World War. "One of the important squadrons of the British Navy was the 'Tenth Cruiser Squadron.' This squadron consisted of twenty-five armed merchant vessels. These vessels were superior to the old cruisers for blockading purposes, as they were larger, more comfortable, and had a larger steaming radius. They kept their blockading station in all kinds of weather, covering that stormy stretch of water from Scotland to Norway via Iceland. Thus we can see that the real blockade of the German coast was carried out by this squadron of armed merchant vessels."*

With a Merchant Marine of this type the United States would regain its prestige in sea power and trade supremacy. This means a rating as the first maritime power of the globe. Material advances would be made in foreign trade because of the world-wide advertising which could not help being developed.

*Capt. L. M. Overstreet, U. S. N. in an article, "The Merchant Marine, Its Value in Peace and War."

It has been said that any plans for an adequate merchant marine should consider the shipper, the manufacturer, and the farmer. The interest of the shipper is primarily to get his goods into foreign markets without delay and at a fair cost for transportation. Because of the superior speed and dependability our shippers would have a decided advantage over foreign competitors. With an American Merchant Marine as a leader the producers and consumers would have more stable and lower rates than would be the case when our fleet did not offer any real competition.

With regular ocean transportation service at the large ports our shippers could select the shortest rail route. This would mean a saving in freight and incidentally lessen the time needed to transport the goods which would lessen the cost of interest and insurance. All these factors would have considerable weight in an analysis, and an American Merchant Marine of this character would doubtless reach the goal set by all well wishers, namely, fifty per cent of the ocean transportation, which in money would amount to about \$64,000,000.

In advocating a real merchant marine some attention has been paid to its importance in times of war as an auxiliary to the Navy. A merchant marine as

outlined in this chapter would act as a part of the Navy in the conversion of the merchant ships for supply vessels for fuel and supplies for all kinds. The merchant fleet could be utilized to assume an offensive against an overseas enemy. Early history tells us of the success of our merchant ships in the case of a blockade. This would be an important assignment in safeguarding the life and welfare of American people by supplying living and other necessities as outlined by Secretary of Commerce Redfield in Chapter X. A failure might cause a loss of millions of dollars.

Our lesson in the World War speaks volumes and may be summarized briefly at this time. The failure to have an adequate merchant marine costs our shippers a freight bill in excess of the regular rates of \$5,000,000,000. In trying to solve the problem by building ships through emergency measures, it costs Uncle Sam \$3,000,000,000. The total of these two items did not represent the entire loss, for we suffered still further losses through the uncertain and limited overseas transportation. This amount of loss equals \$100,000,000* a year for 80 years.

*Report by H. N. Lawrie, Economist, U.S.S.B., April, 1928.

Prof. Alfred H. Hagg of Georgetown University has been a close student of the merchant fleet situation and in a leaflet issued by the United States Shipping Board, he writes:

"It is astounding the progress our competitor nations have made in the upbuilding of their merchant and naval fleets, particularly since the signing of the Washington treaty; and it would be interesting to know how far American dollars have aided other nations in strengthening their sea power.

"Added to these activities in the foreign shipyards we are still further aiding them by numerous contracts which have been placed abroad for American account.

"Under these conditions, how can our shipbuilding industry survive?

"It would seem that, after all, 'Uncle Sam Shylock' is a most liberal individual in assisting his friends across the seas, and it is high time that some consideration be given to our problems at home, particularly that of sea power, which vitally affects the welfare of the entire Nation, both from an economic standpoint as well as that of national security.

"If our Nation is to continue to prosper it is highly essential that the American people awaken to the fact that American ships of commerce are an absolute necessity, not only to insure American industries uninterrupted ocean transportation in carrying their surplus products to the markets of the world, but to insure the continuous flow of our inbound commerce which is essential for the maintenance of many of our industries.

"In the matter of national defense it is obviously necessary that we have an adequate fleet of commerce carriers to support our Navy, as it is the combined strength of both the naval and merchant fleet that reflects the sea power. They are one and inseparable and if we are to live up to American traditions and ideals OUR SEA POWER MUST BE SECOND TO NONE."

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